ZENS' BUSINESS

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'THE PHILADELPHIA AIRPORTS IMPROVEMENT AUTHORITY"

UNCIL is now considering a bill which would lead to the establishment of "The delphia Airports Improvement Authority." If created, this would be the first rity in Philadelphia to *function* under the Pennsylvania Municipal Authorities However, the Act has been wide- ed elsewhere in Pennsylvania for reation of local authorities. As of mber 1, 1953, there were over 300 authorities *functioning* in Penn- nia.*

What Is an Authority?

authority is a public corporation, ed by an appointive board. It is d to undertake the planning, fi- ng, construction and, in some in- s, to operate one or more public ties which produce revenues. Al- h established by government, it is le, in one respect or another, what nsidered the normal structure of nment. Ordinarily, the debt of an rity does not *directly* involve the aith and credit of the parent gov- nt or governments.

is in addition to a number of authorities which en legally *created*, but have not actually *func-* or any purpose.

The Current Proposal

The purpose of the proposed Philadelphia airports authority is to expedite the development of revenue-producing facilities at Philadelphia's present and future airports.

Under existing procedures, capital plans for each department must be submitted to the City Planning Commission. If the projects survive the screening of the Commission, they are placed in the capital program and capital budget. The program and budget are forwarded to the Mayor and then to Council. Council "authorizes" capital projects by including them in the enacted capital program and capital budget. The actual issuance of bonds for these authorized projects requires later approval by Council or by both Council and the electorate.

PPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

Proponents of the authority hope to simplify and shorten this process for airport projects. The authority would be free to undertake projects shortly after approval of the Department of Commerce. Thus, airport projects undertaken by the authority would not be included in the capital program or capital budget.

Debt Limit Creates Problem

Another argument advanced in favor of the airport authority is that, if the regular financing procedures are followed, it might not be legally possible to exempt revenue-producing airport projects from being a charge against the debt limit of the city. If this were the case, following traditional procedures would place these airport revenue-producing projects in competition with tax-supported projects (such as playgrounds, health centers, and fire stations) for inclusion in the capital program and capital budget. Thus, the debt limit on tax-supported debt might well compel the Planning Commission to postpone the financing and construction of revenue-producing airport facilities.

However, some opponents of the proposal fear that, by excluding these projects from the capital budget, there might be no independent evaluation of the need for the proposed airport facilities.

Furthermore, the legal limitation on municipal indebtedness is a protection against overloading the municipal taxpayer with fiscal obligations which must be repaid entirely, or in part, from tax receipts. Thus, the question can be raised as to whether it is desirable to establish a special airports agency which could create airport debt outside the debt limit, even if such debt might have to be retired, in part, by tax receipts. To create such debt by this means would appear to be an avoidance of the debt limit placed on the city government.

Leasing

As noted above, the debt of an authority does not *directly* involve the full faith and credit of the parent government—in this case, the City of Philadelphia. However, by leasing a facility from the authority and then sub-leasing it to an operator, the parent government can assume a contingent liability for debt service. This contingent liability for the authority's debt service would be met from the city's general revenue if the operator's rental payments were less than debt service and maintenance, or if the operator were to default on his sub-lease.

It is probable that investors in the bonds of the authority would require, at least initially, that the City of Philadelphia assume a contingent liability for debt service through the leasing device described above. However, once the authority has established sufficient reserves, it might be possible for the authority to market its bonds without the city government assuming a contingent liability. Under such a procedure, interest charges undoubtedly would be greater than would be the case if the city continued to assume a liability through the leasing device.

Considerations Not Involved

Among the reasons often advanced for creating authorities are (1) to consolidate an intergovernmental activity under intergovernmental management, and (2) to introduce business-type management into a business-type activity.

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Neither of these is an applicable reason for creating the proposed Philadelphia Airports Improvement Authority. This authority would not have *operating* responsibility. Management and maintenance of facilities would continue to be performed by Philadelphia's municipal airport officials and employees.*

The Authority — Pro and Con

There is little doubt that the creation of "The Philadelphia Airports Improvement Authority" would carry out the aim of its proponents which is to speed *planning* and *financing* of new facilities. The citizens of Philadelphia must decide whether this aim is, by itself, sufficiently important to the local economy to merit creation of a new governmental instrument which could, as far as airport capital improvements are concerned, (1) undertake airport projects which are only in part self-supporting,† and which otherwise would be subject to the city's debt limit, (2) commit the city to a contingent liability for airport debt which would not necessarily be evaluated by appropriate municipal agencies as to soundness or worth, and (3) provide a precedent for the creation of other *local* authorities which might detract from the over-all effectiveness of central staff agencies of the city government.

*While the ordinance would permit the authority to operate and maintain facilities, the present plan does not contemplate that it will do so.

†In fact, by the use of the lease arrangement, it would be possible for the authority to undertake projects, such as runways, etc., which would produce revenue only indirectly, if at all.

Getting the Authority Started

Under the plan for the Philadelphia Airports Improvement Authority, it is contemplated that after the authority is fully established, it would borrow money in the *open market* for the construction of facilities, and would then lease the facilities either to the city government or directly to the operators [tenants].

However, one proposal which has been advanced is that the city initially construct *selected* revenue-producing airport facilities which would be leased at a nominal rate to the authority. The income from these facilities would provide reserves to improve the credit of the authority and thus increase the marketability of the authority's bonds which would be sold to finance additional projects.

It should be noted that the amounts of such reserves might be regarded as a contribution of present taxpayers to the airport, since, under usual financing procedures, the income of airport facilities constructed by the city would be available as general revenue of the city government.

More About Authorities

For an exhaustive examination of the broad question of authorities in Pennsylvania, readers are directed to "The 'Authority' in Pennsylvania—Pro and Con." A limited number of copies of this 1949 Bureau study is available upon request.

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HERE'S A QUICK LOOK AT THE CITY'S BUDGET PICTURE

COUNCIL now has until December 1 to take final action on the operating budgets proposed by the Mayor. Some of the data* pertinent for a quick glance at the budget picture are presented in this CITIZENS' BUSINESS.

1953 Compared with 1954

For 1953, the city agencies were authorized to spend $183.3-million for operations. However, of this amount, the agencies expect to spend about $176.0-million; or $7.3-million less than was budgeted. For 1954, the Mayor has requested authorization to spend $192.3-million for total operations, including the use of $4.1-million of general fund surplus for "non-recurring items," such as $187,000 to finance a rezoning study of the city.

* The data given in this CITIZENS' BUSINESS are *net* figures, and do not include interfund transfers, i.e., payments made from one fund to another.

Philadelphia's Operating Exp

Showing Combined Amounts for All O

(in millions)

Appropriation Class	*Amount authorized for 1953*
Personal services	
Wages and Salaries	$ 99.6
Pensions	4.4
Purchase of services	23.7
Materials, supplies, and equipment	18.0
Contributions, indemnities, and taxes	1.1
Debt service	32.5
Other	4.0
Total	$183.3

Where the Money Will Come From

1954's Estimated Income

Source	*(millions)*
Real estate	$ 60.6
Earned income	50.0
Mercantile license	14.4
Water rents	12.2
Sewer rents	9.5
Gas rentals, etc.	6.9
PTC rentals, etc.	3.9
Licenses and inspections	3.5
State aid	3.4
Real estate transfer	3.0
Amusements	2.9
Personal property	2.8
Airports and docks	2.2
Other	12.3
Net surplus used	4.7
Total	$192.3

ses

ating Funds

	Amount spent (est.) in 1953	*Amount requested for 1954*
	$ 95.7	$104.1
	4.4	4.7
	22.6	27.1
	17.6	17.9
	1.1	1.0
	31.7	34.6
	2.9	2.9
	$176.0	$192.3

1954's Capital Budget

The figures in this issue of CITIZENS' BUSINESS include *all* of the 7 operating budgets proposed for 1954. There is another budget, the *capital budget*, which represents *capital* planning for 1954 municipal improvements. In this budget, the City Planning Commission has proposed $71.3-million in capital projects for 1954, but the Mayor has recommended that Council delete $7.9-million from the capital budget.

1954 Budget Requests, By Fund

Fund		*(millions)*
General		$166.3
Ordinary	162.2	
Surplus	4.1	
Water		12.9
Sewer		8.3
County liquid fuels		2.2
Special gas (general)		1.9
Park		0.5
Special gas (City-State)		0.2
Total		$192.3

Past Receipts From Top Revenue Sources (*in millions*)

	Real estate	*Earned income*
1949	49.4	$30.7
1950	50.3	37.5
1951	54.2	43.0
1952	55.6	45.6
1953 (est.)	60.5	48.4

Philadelphia's Net Debt

At end of	Amount (millions)
1943	$344.2
1944	340.2
1945	316.3
1946	333.1
1947	320.7
1948	355.8
1949	388.0
1950	423.9
1951	437.3
1952	464.9
1953 (est.)	483.2

Amounts Spent To Service Debt

Year	Amount (millions)	% of general fund expend.
1943	$28.0	32
1944	26.9	31
1945	26.2	30
1946	24.3	25
1947	22.5	22
1948	22.9	20
1949	25.1	21
1950	27.2	22
1951	27.3	20
1952	29.9	20
1953 (est.)	31.7	18

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BALLOT QUESTIONS 6, 7, AND 8 —THE 3 LOAN PROPOSALS

VOTERS on November 3 will be asked to vote on 3 local questions—the 3 loan proposals. These proposals are questions 6, 7, and 8 on the ballot.

Question No. 6

Question No. 6 is: Shall the City of Philadelphia borrow $19,000,000 for and towards: the redevelopment of blighted areas [$1,400,000]; the Free Library of Philadelphia [$250,000]; parks, playgrounds, recreation centers and other recreational facilities [$3,100,000]; roads, streets, and bridges, and buildings for such purposes [$5,985,000]; incinerators and reduction plants [$2,180,000]; hospitals, health centers, and other buildings for health purposes [$1,100,000]; Riverview [$2,285,000]; police, fire and other municipal buildings [$800,000]; and the municipal airports [$1,900,000]?

Approval of this loan will enable the city to complete the financing of $12,416,000 general purpose capital projects in the 1953 capital budget ordinance and to finance $6,584,000 of such projects to be placed in the 1954 capital budget

ordinance. While some of these projects have not been started, others are already under way and are in various stages of completion.

Question No. 7

Question No. 7 is: Shall the City of Philadelphia borrow $35,750,000 for and towards: the water supply system [$13,700,000]; sewers, sewerage system and sewage system works [$21,300,000]; and conversion of Frankford Surface Line to a trackless trolley line [$750,000]; the authorization of this loan not to be valid and effective until a Court of competent jurisdiction shall authorize the exclusion of this proposed indebtedness in ascertaining the borrowing capacity of the city?

Approval of this proposal will enable the city to finance water, sewer, and transit improvements which are found by a court to be self-supporting from their respective operating receipts. Like the general purpose capital projects, these self-supporting capital projects must be placed in the city's 6-year capital improvement program and in an annual capital budget ordinance. Of the proposed $35,750,000 self-supporting projects to be approved in Question 7, $7,373,000 are in the 1953 capital budget ordinance and $28,377,000 are expected to be placed in the capital budget ordinances of 1954 and thereafter. While some of these projects have not been started, some (like those in the general purpose loan proposal) are already under way and in various stages of completion.

Question No 8

Question No. 8 is: Shall the electors consent to the assumption as electoral debt of indebtedness in the amount of $21,650,000 heretofore authorized by and incurred under Ordinances approved: October 28, 1948, for the water supply system [$1,000,000];

July 1, 1949, as amended, June 16, 1950, as amended, June 16, 1950, and November 21, 1947, for general purposes [$15,650,000]; and March 10, 1949, for sewers, sewerage system and sewage treatment works [$5,000,000]; all as set forth in the notice of election? [The water and sewer loans are "self-supporting."]

Approval of this proposal will restore borrowing power to Council so that without necessity of a referendum, Council may accelerate the financing of some parts of the city's capital improvement program—particularly top priorities in the 1954 capital budget—and so that it may have some reserve margin for financing emergency capital needs.

Under the state constitution, the City of Philadelphia may incur net debt for improvements that are not self-supporting up to 13½% of a 10-year average of assessed values of taxable real estate. Council, without approval of the voters, may use no more than 3 of these 13½ percentage points for tax-supported or self-supporting purposes. It may incur additional debt only with the approval of the voters.*

Council has nearly exhausted its borrowing power, and approval of Question 8 would restore to Council the right to authorize $21,650,000 of debt without referendum. However, Council's use of this restored borrowing power would be subject to procedures prescribed in the Home Rule Charter for the systematic and continuous review of the city's capital needs by the operating departments, the City Planning Commission, the Mayor, and Council. These procedures which set up the city's 6-year capital improvement program and annual capital budget ordinances pro-

* Legally, Council could submit all debt authorizations to the electorate.

vide opportunity for public appraisal at various points.

Further, state law requires that Council in authorizing *issuance* of any new debt must do so by ordinance in addition to and separate from the capital improvement program and capital budget ordinances. This ordinance (like all city ordinances) is subject to a public hearing before it may be enacted into law.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION required by the Act of Congress of August 24, 1912, as amended by the acts of March 3, 1933, and July 2, 1946 (Title 39, United States Code, Section 233) of CITIZENS' BUSINESS, published semi-monthly from September through June at Philadelphia, Pa., for October 1, 1953.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Bureau of Municipal Research, 311 S. Juniper St., Phila. 7, Pa.; Editor, Edwin Rothman, 311 S. Juniper St., Phila. 7, Pa.; Managing Editor, Emma L. Bowman, 311 S. Juniper St., Phila. 7, Pa.; Business Manager, none.

2. The owner is: Bureau of Municipal Research, 311 S. Juniper St., Phila. 7, Pa. No capital stock.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

EMMA L. BOWMAN, Managing Editor

Sworn to and subscribed before me this 1st day of October 1953.

Margaret Dugan

[SEAL] (My Commission expires January 7, 1955)

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CAPITAL PROGRAM AND CAPITAL BUDGET

COUNCIL, in addition to considering the annual operating budget ordinance for 1954, is considering two other ordinances that are indispensable to the city's fiscal planning. These are the proposed capital program for 1954–1959 and the proposed capital budget for 1954 (which is actually that part of the 1954–1959 capital improvement program which the city proposes to carry out next year), both prepared by the City Planning Commission.* (See table on last page.)

Six-Year Program—$406.2-Million

The Commission's capital program calls for improvements totaling $406.2-million in the six years 1954–1959, of which $97.2-million are scheduled for 1954. These totals include improvements to be financed by the city itself, or in partnership with other agencies, public and private. The city's own

* For a more complete treatment of capital budgetary planning, see CITIZENS' BUSINESS No. 2,043.

share of the proposed six-year program totals $300.2-million. Of this amount, $71.3-million, or nearly one-quarter, is scheduled for 1954.

Staffing, maintaining, and operating the proposed improvements will add an estimated $7.7-million in annual operating expense by 1960.

The Mayor, in his message transmitting the program and budget to Council, recommended that the program be returned to the City Planning Commission with the suggestion that it be restudied and reduced. It has been estimated that if the Planning Commission's proposed program were carried out, debt service (payment of principal and interest) in the course of 10 years would rise from the $31.7-million in 1953 to $53.8-million in 1962.

Ceiling on Debt Service

With a view to keeping the city's fixed charges within limits, the Mayor recommended a ceiling on the capital improvement program based on the rule-of-thumb that debt service for a given year should never exceed 22% of that year's income. Therefore, all proposed improvements would be scheduled so that debt service would not be likely to exceed this 22% during any future year.

Application of this rule-of-thumb probably would reduce the city's share of improvements for 1954–1959 to a figure substantially below the $300.2-million proposed.

1954 Capital Budget

The most immediate part of the capital improvement program is the 1954 capital budget which provides for next year's proposed improvements. In the Planning Commission's proposal for the 1954 capital budget, projects total $71.3-million. These projects would be financed as follows:

from new city loans, $65.9-million (92.4%); from current revenues, $2.7-million (3.8%); and from existing loan authorizations, $2.7-million (3.8%).

However, the Mayor recommended that Council cut the 1954 proposed capital budget by $7.9-million, from $71.3-million to $63.4-million.

If Council adopts the Mayor's recommendations, authorized projects would be reduced to $63.4-million, to be financed by $58.0-million of new loans (over 90% of the total) and $5.4-million from other sources.

Question: What Happens If—

1. **The municipal capital undertakings are too small?**
   Answer: The community progresses at a rate below its potential.
2. **The municipal capital undertakings are too large?**
   Answer: Operating departments, at some future time, *might* be deprived of funds for important current activities because of high debt service requirements.
   Answer: The credit of the city (for future bond sales) *might* be adversely affected.
   Answer: Tax loads (especially during periods of economic strain) *might* become oppressive as a consequence of high debt service (fixed) costs.
   Answer: Operating expenses resulting from an overexpanded municipal capital plant *might* add to the strain on annual operating budgets in periods of limited economic activity.

Proposed Capital Program and Budget Itemized

Purposes	Capital program		Capital Budget 1954†
	Scheduled 1954–1959*	Scheduled 1954	
Streets, highways, and bridges	$130,209,900	$32,460,200	$12,664,300
Sewers, flood relief, and drainage	89,435,000	24,146,000	22,932,000
Waterworks	59,214,000	15,673,000	15,223,000
Gas works	30,000,000	0	0
Redevelopment	25,993,185	5,390,825	902,863
Recreation and parks	20,572,628	4,710,000	4,710,000
Airports	14,664,000	4,022,000	4,022,000
Hospitals	7,383,700	993,700	993,700
Prisons and welfare	6,731,400	955,000	955,000
Police and fire	5,307,800	1,722,000	1,722,000
Port	4,185,000	200,000	200,000
Transit	3,750,000	1,950,000	1,950,000
Health	3,145,350	1,350,000	1,350,000
Commercial Museum	1,602,042	265,705	265,705
Convention Hall	1,500,000	1,500,000	1,500,000
Maintenance garage	850,000	850,000	850,000
Planning	767,000	767,000	767,000
Libraries	699,200	125,000	125,000
Miscellaneous	188,000	128,000	128,000
Total	$406,198,205	$97,208,430	$71,260,568

* Some of these scheduled projects will not be completed within the 1954–1959 period. They will cost an additional $9,131,372 to complete beyond 1959.

† Amounts shown in this column consist of the *city's* share of the total amounts scheduled to be met in 1954 from *all* sources.

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BUREAU PUBLISHES REPORT ON FIREMEN'S PENSION FUND

THE Philadelphia Firemen's Pension Fund had an "actuarial deficit" of $29.8-million on January 31, 1952, "assuming its reserves earn 2½% interest," states the Bureau of Municipal Research in its 44-page *Report on the Philadelphia Firemen's Pension Fund,* released last week.

With the publication of this third report on Philadelphia's pension problems, the Bureau completes its studies, made under contract with the city, of the three systems that provide retirement coverage for the city's employees—the Municipal Pension Fund, the Police Pension Fund, and the Firemen's Pension Fund.

Firemen's Fund Is Strongest Financially

Of the three funds, the Firemen's is financially the strongest. For one thing, it has by far the largest amount of assets, about $4.0-million, as compared with $2.6-million in the Municipal Fund and $450,000 in the Police Fund, as of

recent dates. For another thing, its actuarial deficit, or "unfunded past-service liability," of $29.8-million is considerably smaller than the Municipal Fund's deficit of $82.0-million (as of December 31, 1951) and the Police Fund's deficit of $97.3-million (as of June 30, 1952). Bringing these figures up to date, it may be estimated that the Firemen's Fund deficit will be about $34-million at the end of 1953, the Municipal Fund, $106-million,* and the Police Fund, $103-million, for a grand total of $243-million.

Interest Assumption Is Important

It should be emphasized that the figures cited above are based upon the assumption that the interest yield would be 2½% per year compounded annually. If a lower rate had been used, the actuarial liabilities would be higher than those given. Conversely, a higher interest rate would result in smaller actuarial liabilities.

For example, if, in building up its reserves, the Firemen's Pension Fund were to earn 3½% interest instead of the assumed 2½%, its actuarial deficit, as of January 31, 1952, would have been about $26.0-million, rather than $29.8-million; if its rate of earnings were 4½%, the actuarial deficit would have been about $23.0-million.

However, it should also be emphasized that the actuarial deficit, while varying inversely with the assumed interest yield, nevertheless represents a specific amount of ultimate cash payments for pensions. Thus, whether the actuarial deficit of the Firemen's Pension Fund is given as $29.8-million (2½% interest), or $26.0-million (3½% interest), or $23.0-million (4½% interest), the cash disbursements attributable to this liability will roughly total about $42-million.

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* This estimate allows for the liabilities resulting from the state Act of January 21, 1952, P.L. 2184 (1951–52), which liberalized the provisions of the Municipal Pension Fund.

"Actuarial Deficits" Are City's Debts

Practically speaking, the actuarial deficits constitute obligations of the city to the three funds, and there is no way of avoiding, in the long run, the payment of at least interest on these obligations so long as they exist.

To the extent that the principal of these obligations is reduced, as by an amortization program, the city's burden of interest on them will be proportionately reduced. Failure to reduce these obligations results in the financial equivalent of paying interest on them in perpetuity.*

Reports Also Give Current Actuarial Costs

In addition to disclosing the actuarial deficits arising out of pension promises for past service, the Bureau's reports show the "current actuarial costs" of the three systems. Assuming 2½% earnings, the current actuarial cost for the Firemen's Pension Fund equals about 19.13% of the firefighters' payroll, as compared with 9.30% for the Municipal Pension Fund and 25.95% for the Police Pension Fund—all computed as of the dates of the respective valuations.

On the basis of the 2½% assumption, the members of the three funds are paying approximately the following proportions of the current actuarial cost: Municipal Pension Fund—one third; Police Pension Fund—one seventh; Firemen's Pension Fund—one eighth. In its reports, the Bureau of Municipal Research recommends that, if legally possible, the members of the three funds be required to pay higher contributions so as to share more nearly equally with government the current actuarial cost.

There is a view, however, that the Home Rule Charter (Section 6-600) forbids increasing the rates of those members who were city em-

* For a detailed analysis of the significance of an "actuarial deficit," see CITIZENS' BUSINESS No. 2,049.

ployees on April 17, 1951, when the charter was adopted.

Recommends City Control of Funds

Rules regarding benefits, contributions, organization, and procedures of the semi-private Firemen's and Police Pension Funds are set forth in their by-laws, which are subject to amendment by a majority vote of the respective memberships. The Bureau recommended in its reports that the city should, "if possible," take over the responsibility for revisions in the benefits and dues provisions of these two funds.

It now appears that the city may already have this responsibility. On October 30 last, Common Pleas Court No. 1 ruled, in Patterson *v.* The Firemen's Pension Fund, that " . . . Section 6-600 of the City Charter imposes the duty on City Council to enact a pension plan for all city employees. This precludes the Firemen's Pension Fund from determining what will be done with its pension fund . . . . "

Copies of Firemen's Report Now Available

A limited number of copies of the *Report on the Philadelphia Firemen's Pension Fund* are now available, free of charge, from the Bureau of Municipal Research. The 44-page report includes a history of the Firemen's Fund, a review of firemen's retirement systems in 11 large cities, and an analysis of the Fund's financial problems.

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THE QUESTION OF PATRONAGE

SEVERAL suggestions have been made recently in Philadelphia for a relaxation of those Home Rule Charter provisions which discourage or prohibit patronage appointments in the city government. These suggestions generally are based on the view that party workers should be rewarded either by special preference for appointment to municipal positions or by the privilege of selecting others for such special preference. This issue of CITIZENS' BUSINESS reviews the major arguments most often advanced for and against patronage appointments in municipal employment.

For Patronage Appointments

Against Patronage Appointments

1. Discipline

Patronage rewards the faithful party workers and thus strengthens party discipline and control. Civil service weakens party discipline and control. When party discipline is weakened, the party organization finds it difficult to carry out its function of crystallizing and then presenting the views of its adherents on important policy issues.

Loss of patronage at the local level may weaken party discipline and control. However, important policy issues should not be decided on the basis of which party organization has the most jobs at its disposal. In any event, U.S. local party organizations have rarely been the vehicles for the formulation of important policies. In fact, many of the more effective U.S. local governments have operated under conditions of loose party discipline and, in some cases, have functioned on a nonpartisan basis. Furthermore, such factors as local traditions and primary election laws may also be significant in determining the extent of political discipline and control.

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

For Patronage Appointments	Against Patronage Appointments
2. Selection	
Under a system of patronage, the supervisor makes the actual appointments without the red tape of a formal personnel system.	The patronage system ties the hands of the appointing official by requiring him to select municipal employees on the basis of party loyalty rather than on the basis of professional or technical competence. Civil service provides an examination and selection process which usually makes available to the agency head the *best* candidate for the position. In Philadelphia's civil service system, as in most others, a degree of choice remains with the appointing officials.
3. Ability	
Patronage appointments are often based on ability as demonstrated in a party organization or on skill gained through practical experience. On the other hand, civil service examinations often put a premium on the possession of academic training and a fund of formal knowledge.	Political competence is not likely to be a valid test of professional, technical, or clerical competence. Civil service examinations, while not necessarily perfect, are designed to test for knowledge and aptitude required for the particular class of jobs for which the test is given. The number of votes controlled, rather than job knowledge, is likely to be the criterion for appointment under the patronage system.
4. Human Touch	
Patronage appointees have the "human touch" in dealing with the public since they are trained in practical politics.	If municipal employees are rude in their dealings with the public, a public relations training program and tighter supervision can and should be instituted. Employees who do not respond to such training and supervision should be dismissed. The loyalty of a municipal employee should not be divided between his supervisor and a political sponsor.
5. Policy-Making	
Patronage permits the selection of employees sympathetic with the program of the policy-making officials.	Very few city employees operate at a level of administration where policy-making is a factor. In most positions, good performance depends on technical or professional competence. Furthermore, patronage appointments sometimes lead to favoritism in the rendering of municipal services.

For Patronage Appointments	Against Patronage Appointments
6. Dismissal	
Civil service makes difficult the dismissal of inefficient employees.	Civil service protects the competent worker but makes possible the dismissal of inefficient employees. For example, from January 1, 1953, to November 13, 1953, 613 Philadelphia city employees were dismissed.* Of these, 63 (10%) appealed their dismissals. The Civil Service Commission has sustained only three (10%) of the 32 of these 63 appeals which have been processed to completion. An employee performance rating system (recently established in Philadelphia's city government) encourages supervisors to make periodic evaluations of city workers. In any event, under the patronage system, the political sponsor, not the supervisor, often determines the tenure of employees.
7. Personalizing Government	
Weakening of party control at the ward and division levels tends to deprive citizens of personal assistance in their dealings with the impersonal machinery of enlarged local government.	If this contention is true, the answer rests in improved community relations and public or private welfare services for all citizens, no matter what their party affiliation. In some cities, services supplied by party workers may be of doubtful legality. This increases disrespect for law enforcement agencies.

* This does not include employees dismissed during their six-month probationary periods. During the first six months of service, an employee cannot appeal his dismissal.

Charter Provision on Political Activity

(1) No person shall seek or attempt to use any political endorsement in connection with any appointment to a position in the civil service.

(2) No person shall, for the purpose of influencing the vote or political action of any person, or for any consideration, use or promise to use, directly or indirectly, any official authority or influence, whether possessed or anticipated, to secure or attempt to secure for any person an appointment or advantage in appointment to a position in the civil service, or an increase in pay or other advantage in employment in any such position.

(3) No officer or employee of the City

and no officer or employee of any governmental agency whose compensation is paid from the City Treasury shall, from any person, and no officer or member of a committee of any political party or club shall, from any civil service employee, directly or indirectly demand, solicit, collect or receive, or be in any manner concerned in demanding, soliciting, collecting or receiving, any assessment, subscription or contribution, whether voluntary or involuntary, intended for any political purpose whatever. No officer or member of the Philadelphia Police or of the Fire Department shall pay or give any money or valuable thing or make any subscription or contribution, whether voluntary or involuntary, for any political purpose whatever.

(4) No appointed officer or employee of the City shall be a member of any national, state or local committee of a political party, or an officer or member of a committee of a partisan political club, or take any part in the management or affairs of any political party or in any political campaign, except to exercise his right as a citizen privately to express his opinion and to cast his vote.

Source: Section 10-107, Philadelphia Home Rule Charter.

Downtown Versus Suburban Shopping

Persons interviewed in a recent survey of shoppers in Columbus, Ohio chose "difficult parking" as the major disadvantage of downtown shopping. Other disadvantages, in order of frequency of selection, were (2) "too crowded," (3) "congested traffic," (4) "too far to go," (5) "takes too long to shop," (6) "poor public transportation," (7) "unfriendly service," (8) "cost of transportation too high," and (9) "other."

The advantages of downtown shopping, in order of frequency of selection, were (1) "large selection of goods," (2) "can do several errands at a time," (3) "cheaper prices," (4) "convenient public transportation," (5) "stores closer together," (6) "enjoyable place to shop," (7) "better delivery service," (8) "closer to home," and (9) "other."

On the other hand, "lack of large selection" was most often chosen as the major disadvantage of suburban shopping. Second in frequency of selection was "not all kinds of business represented."

The statement, "closer to home," was most often selected as the most important advantage of suburban shopping. Second in frequency of choice was "parking easy."

Source: Jonassen, C. T., *Downtown Versus Suburban Shopping*, Bureau of Business Research, Ohio State University.

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A Citizen Organization for Improved Government

Philadelphia | December 21, 1953 | No. 2,072S

TAKING STOCK OF CONSOLIDATION

AS the current movement for city-county consolidation moves into its sixth year, it is time to take stock to see how much has been accomplished since the city-county consolidation amendment was adopted in 1951.

Offices Consolidated

Eight offices have been brought under the city's merit system with its ban on political activity, and their "housekeeping" functions—accounting, purchasing, storekeeping, etc.—are under the Home Rule Charter. The present status with respect to organization of these eight offices is as follows:

• On January 3, 1954, the *City Treasurer* and the *Coroner* will complete their last terms as independent, elective officers of Philadelphia. Thereafter, the City Treasurer will be appointed by the Director of Finance with the approval of the Mayor, and the new Examiner (the former Coroner) will be appointed by the Health Commissioner with the approval of the Managing Director.

• An independent, elective office, that of the *Recorder of Deeds,* has already been abolished and its functions have been transferred to the Department of Records.

• An independent office—the 11-member *Board of Inspectors of the Philadelphia County Prison*—has become a part of the city's Department of Welfare as a departmental seven-member Board of Trustees of Philadelphia Prisons, appointed by the Mayor.

• The offices of *City Controller* and *District Attorney* continue as independent, elective offices, although the term of the District Attorney has been altered so that, as soon as practicable (1958), it will coincide with that of the Controller instead of that of the Mayor.

• The office of *Clerk of Quarter Sessions,* a ministerial office of the criminal courts, continues—for no self-evident reason, organizationally speaking—independent and elective.

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

• The *Youth Study Center* remains unchanged as an independent arm of the Municipal Court, with its five-member Board of Managers appointed by the judges of that court.

Offices in Litigation

Four offices are in a state of suspension:

• The *Board of Revision of Taxes*, the *City Commissioners*, the *Registration Commission*, and the *Sheriff* were swept under the merit system and other housekeeping provisions of the charter by adoption of the consolidation amendment, but were later exempted from those provisions by state legislation. This legislation, Section 5 of Act 433 of 1953, is now being tested in the courts (a lower court has upheld the statute and the city has appealed), and the offices have agreed to maintain the status existing prior to enactment of Act 433, pending the final determination of the courts.

Offices Outside of Consolidation

Fourteen courts and judicial offices are still outside the scope of city-county consolidation:

• The elected *Register of Wills* and the *Prothonotary*, appointed by the Board of judges of the Courts of Common Pleas, although specifically denominated county officers in the constitution, are regarded by the courts as judicial officers *outside* the scope of consolidation because of other constitutional provisions. (On the other hand, both the Clerk of Quarter Sessions, whose duties in the criminal courts in many respects parallel those of the Prothonotary in the civil courts, and the Sheriff are regarded by the courts as court officers *within* the scope of consolidation.)

• Also outside of consolidation are the courts and their employees: the *seven Courts of Common Pleas* (and their two staff agencies, the *Jury Selection Board* and the *Consolidated Trial Lists*), the *Orphans' Court*, the *Municipal Court*, and the *Board of Magistrates*.*

Employees Under Merit System

Employees of the eight offices clearly under the merit system total 800; those of the four offices whose status is in litigation number about 650; and those of the 14 courts and offices outside the scope of consolidation number roundly 1,020. Thus, if Section 5 of Act 433 is upheld, the number of employees outside the city's merit system will rise to 1,670. This would defeat one of the continuing prime objectives of consolidation, which is to bring under a merit system *all* employees paid out of the city treasury.

How the Situation Unfolded

This present situation on consolidation has been developing slowly over the past two years. Once the major job of getting the consolidation amendment adopted was completed in November 1951, the next job was to put it into effect.

The first attempt—by state legislation—was defeated by a gubernatorial veto in January 1952 on technical constitutional grounds. Subsequently, however, the state Supreme Court ruled in July 1952 (the *Carrow* case) that in many respects consolidation was already completed because the amendment was largely self-executing. In January 1953 (the *Lennox* case), the Supreme Court ruled that county offices and officers, except the Prothonotary and the Register of Wills, were under civil service and housekeeping provisions of the charter. The courts left open the question of the

* Judges and magistrates are not county officers but are state and judicial officers, and are therefore exempt from the application of the consolidation amendment. Their employees are likewise exempt, although they are paid from the city treasury.

organizational consolidation of the county offices into the city government.

Advisory Commission Made Proposals

Meanwhile, the city had appointed a bipartisan Advisory Consolidation Commission to advise Council on completing consolidation. The Commission drafted a program which was embodied, in part, in a proposed statute to be enacted by the state Legislature, and, in part, in a proposed ordinance to be enacted by Council.

The proposed statute was an enabling act which would permit Council to complete consolidation of virtually all the offices concerned.* The proposed statute was not passed—in the view of many, could not have passed, for political reasons—in its original form. As finally enacted, the statute (Act 433) did these things: (1) *followed* the Commission's recommendations by changing the term of the District Attorney to coincide with that of the City Controller; (2) *followed* the Commission's recommendations by authorizing Council to deal with the Coroner, Recorder of Deeds, City Treasurer, Clerk of Quarter Sessions, and Board of Inspectors of the County Prison; and (3) *reversed* the Commission's recommendations by providing (Section 5) that the City Commissioners, Board of Revision of Taxes, Registration Commission, and Sheriff were to continue in every respect, including exemption from the merit system, as they were *prior* to the adoption of the consolidation amendment.

Council, in an ordinance signed October 16 last, consolidated the county offices enumerated in the statute. It followed the Advisory's Commission's proposals, with one exception. This exception was the Coroner. The Commission had recommended that the Medical Examiner system be substituted for the Coroner system, but Council retained the Coroner system in essence.*

Section 5 Tested in Courts

In the meantime, the Board of Revision of Taxes, the City Commissioners, the Registration Commission, and the Sheriff brought suit to establish the validity of Section 5 of Act 433 which, in effect, pulls them out from under the Home Rule Charter.

The city, in contesting the suit, maintains that Section 5 is unconstitutional in that the adoption of the consolidation amendment brought these four offices under the Home Rule Charter, and only another amendment could undo their integration with the city government.

The city holds that the Home Rule Charter is controlling on the Legislature because the charter was adopted by the people of Philadelphia under a legislative grant of power which may be enlarged but not diminished. Under this construction, Section 5, by seeking to diminish this irrevocable legislative grant, is unconstitutional.

The lower court disagreed with this view, and held that the Legislature may limit or expand the scope of home rule at any time. The court commented that it would not assume that the Legislature in the lawful exercise of its powers would destroy home rule in Philadelphia.

City Appeals Decision

The city has appealed this decision. The City Solicitor hopes that Section 5 will eventually be declared unconstitutional and be severed from the rest of Act 433, which would continue valid.

However, some attorneys believe that if the city is successful, and Section 5 is declared unconstitutional, the courts will

* The Commission made no recommendations on the Youth Study Center, apparently believing it to be a judicial office (the City Solicitor has since ruled it a county office).

* See Citizens' Business No. 2,072.

not simply sever the offending section, but will strike down the whole Act as unconstitutional on the ground that the Act would not have been passed without Section 5.

If the whole of Act 433 is held unconstitutional, the ordinance passed after the enabling Act may or may not be valid. (There is no reference to Act 433 in the ordinance.) Some believe that under the 1949 Home Rule Act, Council, acting in the place of the Legislature, can complete consolidation, and so the ordinance would stand. An additional ordinance would be necessary to complete consolidation of the four offices not now in the ordinance.

If Only Legislature Has Power

Others believe that only the Legislature—either by doing the job itself or by specially delegating it to Council in a constitutional statute—can complete consolidation. In this view, if Act 433 is wholly invalid, organizational consolidation must wait for the next session of the Legislature, in 1955. In the meantime, the Treasurer, Coroner, Recorder of Deeds, and Board of Inspectors of the Philadelphia County Prison would probably be reconstituted organizationally, but other gains would continue, notably the placing of 14 offices under the charter, thereby making them subject to the merit system, to the ban on political activity, and to all the other housekeeping requirements therein.

Because of anomalous legal situation, organizational gains have been small, but, all things taken together, city-county consolidation has advanced far in 1953.

Constitutional Source of Home Rule

The constitutional grant of home rule powers to Pennsylvania cities is contained in the second sentence of Article XV, Section 1:

> Cities, or cities of any particular class, may be given the right and power to frame and adopt their own charters and to exercise the powers and authority of local self-government, *subject, however, to such restrictions, limitations, and regulations, as may be imposed by the Legislature.* (Emphasis supplied.)

Under the Home Rule Act of 1949, cities of the first class, of which Philadelphia is the only one, have been granted home rule subject to certain limitations on its exercise. The Legislature's power to legislate further on home rule—whether only to increase the grant of powers, as some believe, or either to increase or diminish it, as others believe—is dependent chiefly on the legal construction of the italicized phrase above.

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CITIZENS' BUSINESS

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Philadelphia December 28, 1953 No. 2,073

THE BURNING QUESTION

FOR many years, Philadelphia has sought to achieve a modern system of disposing of its combustible rubbish, through the use of incinerators and "sanitary landfills." Yet, of the 2,600 tons of rubbish that daily require removal, about one half is still disposed of through the use of burning dumps.

Means of Disposal

Dumps. At the present time, there are 30 dumps used by private operators and four used by the city for the burning of refuse.

The operations of the private dumps are checked by four inspectors from the Department

In Brief—

If burning dumps in Philadelphia are to be eliminated by the end of 1955, "city officials must accord a high priority to the incinerator construction and improvement program."

of Streets. No garbage or industrial waste creating objectionable odors is supposed to be burned, and the dumps must be operated in a manner to prevent smoldering. Moreover, burning is permissible only during the daylight hours.

When an inspector finds a violation, he brings the operator of the dump before a magistrate. It has been reported that practically every private dump operator has appeared before a magistrate at some time or other within the past two years. However, officials of the Department of Streets state that violations have declined in recent months.

As a result of controlled burning, the amount of smoke from the dumps has been reduced. Moreover, a number of the more objectionable burning dumps have been closed, and their operations converted to a form of sanitary landfill*—e.g., the city was using eight burning dumps in June 1952, but only four are operated by the city at present.

Incinerators. Of the three municipal incinerators (Bartram, Harrowgate, and Southeast), two were built before 1924 and the third was completed in 1951. However, the specifications for these incinerators were drawn up before the present air pollution ordinance was adopted, and all three violate this ordinance. These incinerator plants reportedly discharge much more than the volume of fly ash and smoke permissible under the present air pollution ordinance.

Incinerator Improvement Program

Increased capacity for the destruction of combustible refuse will be provided by enlargements

* The term "sanitary landfill" is generally applied to operations in which the fill consists of garbage, rubbish, and earth; in Philadelphia, a modified form of landfill, consisting of ashes, rubbish, and earth, is used.

An Official View

The Mayor of Philadelphia, in a letter to Council dated June 24, 1952, stated:

> One of the most serious problems confronting the City of Philadelphia is that of air pollution control. No one can fly over the City, observe it from City Hall tower, or make a boat trip along the Delaware river shoreline without a sense of indignation that a modern city should subject many of its inhabitants to the foul smells and smoke which every day cover a large residential area.

of the city's three existing incinerator plants, and by the construction of two new incincerators.

Most of the contracts for the expansion of two of the existing plants have been let and equipment is being manufactured. "On site" construction work is expected, for one of these, to begin in January and, for the other, in April 1954. Engineering specifications for the third incinerator are being prepared. In enlarging the old incinerators, city officials plan to make changes to insure that operations will not violate the air pollution ordinance.

New Incinerators Planned

The city plans to build one of the two new incinerators in the Northeast, and the other in the Northwest. The site in the Northeast has been selected (Wheatsheaf Lane and Delaware River) and specifications are being prepared. Public controversy and litigation are holding up engineering, design, and construction on the Northwest incinerator, which was proposed to be located at Abbottsford Avenue and Fox Street.

Although work on the expanded incinerator program was started only recently, many citizens

and officials have been urging such a program for several years.

Elimination of Burning Dumps Planned

It is anticipated that when the construction and rebuilding program has been completed, burning of refuse in open dumps will be eliminated. Barring unforeseen delays, city officials expect to eliminate burning dumps from Philadelphia by the end of 1955. If this deadline is to be met, city officials must accord a high priority to the incinerator construction and improvement program.

A Merry Christmas and
A Happy New Year
To All Our Readers

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BUREAU'S REPORT PROPOSES PENSION PLAN FOR CITY

PHILADELPHIA can make a start toward solving its pension problems by establishing a "new system" covering all employees who join the city service after a specified date, and by integrating *all* of its pension systems with the Old Age and Survivors' Insurance Program (OASI) of the federal social security system. So states the Bureau of Municipal Research in its 67-page report, *A Comprehensive Retirement Program for the Employees of the City of Philadelphia.*

Less Costly, But More Benefits

The proposed new system's total costs per member would be substantially lower than those of the present systems,* primarily because the new system would prescribe later retirement ages. On the other hand, the new system would provide its members with benefits wider in range than those of the three existing systems. (See chart inside.)

* Assuming 2½% interest, the total current actuarial costs would be as follows: 6.38% of applicable payroll for new system's *general* employees' benefits, as compared with 9.88% for the present Municipal Pension Fund; 14.64% for the new system's *police* and *fire* benefits, as compared with 19.03% for the present Firemen's Fund, and 25.50% for the present Police Fund.

Present city employees would be given the option of joining the new system or of retaining membership in the existing ones.

Integrated with OASI, the city systems, old and new, would pay pensioners the difference, if any, between the total benefits prescribed by the city and the benefits paid by OASI.

Principles of Proposed New System

The provisions of the proposed new system for new employees are based upon the following principles:

1. *Earlier minimum retirement age for police and fire employees.* The plan gives recognition to the arduous and hazardous nature of police and fire duties by permitting policemen and firemen to begin receiving the basic pension at an earlier age than that of the general employees—at age 60 for police and fire employees, as against age 65 for general employees.

2. *Half-pay pensions for a long period of service.* The new system would provide a regular pension of one half of base pay to members who retire after having served for a long time—25 years in the case of police and fire employees, and 30 years in the case of general employees. ("Base pay" would be defined as the monthly average of the highest-salaried five consecutive years.)

3. *Vested rights after 20 years of service.* The proposed new system would reward employees who have served the city for a long time by giving them each a vested right in pension benefits. For example, employees with 20 years' service would be permitted to retire at age 55 on a reduced ("commuted") allowance. So, too, 20 years' service would be a prerequisite for "deferred"* pen-

* "Deferred" pension payments are begun when the former employee attains the regular retirement age.

COMPARISON OF PROPOSED "NEW SYSTEM" WITH EXISTING PENSION SYSTEMS

Provision	New System	Municipal Fund	Police Fund	Firemen's Fund
Half-pay pensions	X		X	
Commuted pensions	X			
Deferred pensions	X	X		
Service-incurred disability pensions, any age	X		X	X
Survivors' pensions—non-service-incurred	X	X		
Dues refundable, with interest	X			

sions and for "ordinary" (non-service-connected) disability pensions.

4. *Recognition of city's responsibility for service-incurred disabilities and deaths.* Through the new system, the city would assume some responsibility for compensating members permanently disabled in the line of duty, and for compensating the dependent survivors of members killed in the line of duty. These benefits would be offset by workmen's compensation awards, if any.

5. *Protection for dependent survivors of members.* Upon retirement, a member could elect to receive a reduced retirement allowance in order that monthly benefits should later be payable to his survivors. Monthly benefits would also be payable to the dependent survivors of a member who, after serving at least 20 years, dies prior to retirement.

6. *Employees to pay equitable share of cost.* Members would pay one half of the actuarial cost of the "ordinary" benefits; the city would be responsible for the remaining cost of ordinary benefits, and for the entire cost of the "service-incurred" disability and death benefits.

7. *Employees entitled to a refund of total contributions, with interest.* All members separated

Bureau's Report Now Available

A limited number of copies of *A Comprehensive Retirement Program for the Employees of the City of Philadelphia* are now available, free of charge, from the Bureau of Municipal Research.

from the city's service prior to death or prior to retirement on an allowance would be entitled to a refund of their total contributions (exclusive of OASI taxes), plus accumulated interest.

Financial Aspects of Integration

Analyzing the financial implications of integrating the city's pension systems with OASI, the Bureau's report discloses that substantial savings would be realized by the city if the OASI tax rate were frozen at its present low level of 4% (2% from the employee and 2% from the employer). However, if the tax rate were increased as scheduled (rising to 5% for 1960–1964; 6%, 1965–1969; and 6½%, 1970 and thereafter), the savings would probably be dissipated in the long run.

The report concludes that, all things considered, integration "promises sufficient initial savings as to merit its adoption."

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A "CAPITAL FINANCING GUIDE" FOR PHILADELPHIA?

THE Home Rule Charter placed in the city government two new tools for capital programming: the six-year capital improvement program and the one-year capital budget (actually the city's share of the cost of the first year of the improvement program). However, it now appears that better use of these planning devices may be possible if a third tool were used—a *capital financing guide*. Developed first in the planning process, the guide would indicate the capacity of the city to finance capital projects, and thereby would aid city officials and Council in capital planning.

1945–1959 Bond Program

The city is in the middle of, rather than on the threshold of, the largest improvement program in its history. Since January 1, 1945, the city has issued $275.2-million in bonds to pay for capital improvements undertaken since the close of World War II; it has authorized but not yet issued $91.8-million in bonds; and it has recently adopted an improvement program calling for further bond

authorizations in the six-year period 1954–1959 totaling $292.0-million. Together, these total $659.0-million for the 15-year period 1945–1959. City net bonded debt (i.e., all outstanding city bonds less sinking funds) totaled $473.9-million at December 31, 1953.

Adopting the 1954–1959 Improvement Program

Last year, the 1954–1959 improvement program, as originally proposed by the City Planning Commission, totaled $300.2-million and called for issuing $283.7-million in bonds; and the proposed 1954 capital budget totaled $71.3-million, calling for issuing $65.9-million in bonds. Then, it was called to Council's attention that carrying out such a program and budget would increase debt service to about $53.8-million by 1962, or $22.1-million (70%) above the $31.7-million spent for debt service in 1953.

Conceivably, city revenues might rise commensurately with such a jump in debt service. But simple caution suggested that prospective revenues be estimated more conservatively. Furthermore, the possibility, however remote, of a falling revenue trend could not be overlooked. (A declining trend of city revenues in a period of generally rising debt service aggravated the city's difficulties in the 1930's.)

Council consequently reduced the 1954–1959 improvement program to $298.0-million, calling for issuing $281.7-million in bonds. The 1954 capital budget totals $62.8-million (down from the proposed $71.3-million), and calls for issuing $57.8-million in bonds (down from $65.9-million). Thus, while the final capital budget is somewhat more nearly in line with the city's foreseeable resources, the net reductions in the

City Debt Rises to New High

During 1953, Philadelphia's net funded debt rose to an all-time high of $473.9-million, an increase of $9.0-million (2%) in the year.

From a low point of $316.3-million at the end of 1945, the city's net funded debt has risen in every year except one, as the financing of postwar capital projects got under way. In the past eight years, it has increased $157.6-million, 50% above the 1945 low.

six-year program are small in terms of the effect on future debt service.

A Third Tool Is Proposed

It is suggested that there be developed, as a third tool to assist the city in its planning function, a *capital financing guide*. The purpose of this guide would be to establish, in effect, an over-all ceiling for project expenditures to be authorized in the improvement program. It should be prepared by the Mayor, the Managing Director, and the Director of Finance early enough in the year so that it could guide the operating departments and the Planning Commission in the preparation and development of the city's improvement program.

The financing guide could consist of two parts: (1) a set of fiscal analyses, and (2) a statement of official policy on capital expenditures.

The fiscal analyses would be prepared by the Director of Finance, and would include among other things projections, under alternative assumptions, of revenues, expenditures, debt service re-

quirements, and borrowing margin. The purpose of the analyses would be to provide a basis for estimating the funds available for improvements, and to indicate the probable effects of various amounts of capital expenditures upon the current and future finances of the city.

Accordingly, part two of the guide would contain a policy statement indicating a *realistic ceiling* for prospective capital expenditures. To be sure, the extent to which the final capital program would be in accordance with the recommended ceiling would be a matter for Council and the Mayor to decide. But the guide could help the city gear its planning for capital projects to foreseeable financial resources, just as it gears its expenditures in the operating budget to estimated revenues.

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PROPOSED CHARTER AMENDMENTS

FOURTEEN amendments have been proposed to the Philadelphia Home Rule Charter. Petitions for these amendments were circulated among Philadelphia voters. Substantially more than the necessary 20,000 signatures were secured, and the petitions have been submitted to Council. A final determination as to whether all or any of these amendments will be on the ballot at the primary election on May 18, 1954, awaits a number of developments. However, even if some of these proposals are not voted on at the May primary election, they all merit analysis now because they include proposals which will probably be suggested in one form or another from time to time in the next several years.

A review of some of the significant aspects of the first four of these proposals is presented in this issue. The remaining ten amendments will be discussed in a supplementary issue.

No. 1—Would Require Line Item Budget for Personal Services

Proposed Amendment No. 1 would permit Council to make appropriations for personal serv-

ices *in detail,* practically position by position, much as these appropriations were made prior to the adoption of the Home Rule Charter. At present, all appropriations, including those for personal services, are made to city agencies by major appropriation classes in lump-sum amounts.

Council's legislative power of appropriation has two facets: (1) to define the level of municipal spending and (2) to hold the executive branch accountable for performance by periodic review of its operations. The executive branch performs its day-to-day functions within the appropriations fixed by the legislative body.

Proponents assert that this amendment would give Council more control over operations of the executive branch and would reduce the cost of government. Opponents state that the amendment would enable Council to interfere with details of administration while the executive branch would still be held fully accountable for actual results. They believe that Council is elected to legislate on broad questions of city policy and program, and that members of Council have neither the time nor the technical skill to fix in minute detail the numbers and types of personnel for each of the city's many diverse activities. Opponents of the amendment also suggest that as far as economy is concerned, Council may as easily cut total lump-sum appropriations as it may cut by line-item the detailed appropriations, as proposed by the amendment.

No. 2–Would Eliminate the Requirement that the City's Pension Systems Be "Actuarially" Sound

The Charter now requires that the pension plan to be adopted by Council shall be "actuarially" sound. Proposed Amendment No. 2 would delete the word "actuarially" from the provisions where it appears. Proponents claim that eliminat-

ing the actuarial requirement would "relieve taxpayers of obligation to raise an estimated 200-million dollars."

Opponents point out that the meaning of the word "actuarially" has not been judicially determined, and that, whatever it means, its deletion would not reduce the ultimate cost of the pension system. It is admitted that if the requirement means what the actuaries say it means, its elimination would relieve the city of the task of amortizing its "actuarial deficit." But, in that event, the aggregate cost to taxpayers would actually be increased, because the deficit, *plus* interest charges, would eventually have to be met.

The opponents also point out that the city has not yet appropriated any money to meet "actuarial" requirements, if any, implied by the word in question, and that consideration of the proposed deletion can be deferred until the meaning of the term has been legally established.

No. 3–Would Permit Political Activity to Some Employees

The Home Rule Charter prohibits political activity on the part of most city employees. Proposed Amendment No. 3 would permit the following to engage in political activity: elected officials and their employees, members and employees of the Fairmount Park Commission, the Registration Commission, the Board of Revision of Taxes, and "all other boards and commissions composed of members appointed by officers other than officers of the city."

Proponents state that the charter prohibition abridges traditional citizen rights, and, as a practical matter, should be rescinded for those employees who would be removed from under civil service as a result of Amendment No. 4.

Opponents say that if this amendment were adopted, the employees concerned would be re-

quired to engage in partisan activity on a continuing basis as the major condition of employment. Thus, it is feared that municipal service would deteriorate under partisan favoritism. It has been pointed out that the Home Rule Charter prohibitions against political activity, in common with similar provisions in many American city charters, do not interfere with the rights of city employees to vote or to express their opinions privately on political affairs.

No. 4–Would Remove Some Employees from Civil Service

Amendment No. 4 would remove from the civil service system members and employees of the Board of Revision of Taxes, the Fairmount Park Commission (including the Fairmount Park Police), the Registration Commission, and "all other boards and commissions composed of members appointed by officers other than officers of the City."

Proponents of this amendment state that a certain amount of patronage is needed to help political organizations retain their vitality.

Opponents, denying that patronage is required for effective party organization, point out that this amendment would mean returning the offices concerned to the "spoils system" with all its attendant evils.

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CITIZENS' BUSINESS

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A Citizen Organization for Improved Government

Philadelphia February 15, 1954 No. 2,076S

MORE ABOUT THE PROPOSED CHARTER AMENDMENTS

THE preceding issue of CITIZENS' BUSINESS (No. 2,076) reviewed one through four of the proposed amendments to the Philadelphia Home Rule Charter. This issue discusses the remaining 10 proposals. Whether all or any of the 14* proposed amendments are voted on at the May 1954 primary election, they all merit analysis now because they include proposals which will probably be suggested in one form or another from time to time in the next several years.

No. 5—Would Alter Rights of Managing Director Upon Removal From Office

The Home Rule Charter now provides a specific procedure whereby a discharged Managing Director may appeal to the Civil Service Commission to obtain a public hearing. If the Commission finds that his dismissal is unwarranted, it may award him all or part of his salary for the balance of his term, even though it cannot order his reinstatement. The proposed amendment would eliminate this appeal procedure as well as the possibility of continued salary payments to a dismissed Managing Director.

Proponents of Amendment No. 5 state that the present provision tends to tie the hands of the Mayor, since he would be reluctant to dismiss an inefficient Managing Director.

Opponents point out that the present provision of the charter was drafted to encourage the selection and retention of the Managing Director on the basis of professional competence and training, and to discourage his dismissal on the basis of partisan considerations.

No. 6—Would Decentralize the City's Legal Activities

The Home Rule Charter centralizes the legal functions of the city in the Law Department, headed by the City Solicitor, and forbids city agencies to employ their own counsel without permission of the City Solicitor. Proposed Amendment No. 6 would permit all elected officers

* These are the amendments proposed by petition. Six other amendments have since been proposed in Council and will be discussed in a later issue of CITIZENS' BUSINESS.

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

and a number of boards and commissions to employ their own counsel as a regular procedure and without permission of the City Solicitor.

Proponents of this amendment state that it would expedite the performance of legal functions in the city government. Moreover, they feel that each elected official (except the Mayor) should be free to appoint his own legal counsel.

Opponents fear that Amendment No. 6 would create the possibility of conflicting legal advice within the city government. They also point out that the proposed decentralization would probably increase the cost of providing this important service to municipal officials and decrease the effectiveness of the city's central law agency.

No. 7—Would Provide for an Elective City Solicitor

Proposed Amendment No. 7 calls for a return to the pre-1919 Philadelphia practice of electing the City Solicitor. Since 1919, the City Solicitor has been appointed by the Mayor with the approval of Council.

Proponents of the amendment suggest that it would assure an independent City Solicitor in the city government.

Opponents point out that this amendment is inconsistent with Amendment No. 6 in that it would have the effect, on the one hand, of requiring the *Mayor* and *Council* to use the legal services of an independent *elective* officer, while, on the other hand, some major city agencies would be permitted to *appoint* their own legal advisers.

These opponents believe that the present charter provisions centralizing the city's legal activities in a single appointive City Solicitor is the most effective way to provide this essential municipal service. Many students of government believe that few high-level positions in local government should be filled by election, thus enabling the voters to direct their attention to selecting the best possible candidates for the major policy-making offices. They further suggest that officials whose duties are primarily technical and professional and not policy-making should be appointive. Of the 18 American cities of over 500,000 population, only three elect their chief legal officers.

If this amendment and Amendments Nos. 3 and 4 were adopted, all the employees of the City Solicitor would be removed from civil service and would be permitted to engage in political activity.

No. 8—Would Remove Requirement of Minimum Mandatory Appropriations to Civil Service Commission

The Philadelphia Home Rule Charter, along with the charters of some other American jurisdictions, guarantees a floor to appropriations for central civil service administration.

Proposed Amendment No. 8 would eliminate the charter requirement that Council appropriate each year for civil service administration an amount equal to ½ of 1% of the annual civil service payroll.

Proponents of the amendment state that the present charter provision interferes with the right of Council to decide how much to appropriate for each municipal activity.

Opponents point out that one of the major factors contributing to the ineffectual administration of Philadelphia's civil service prior to 1952 was the systematic starvation of the activity through

that these agencies could perform their functions more effectively if exempted from charter requirements on purchasing, budgeting, personnel, etc.

Opponents of the amendment, denying that the change would result in more efficient operations, state that it would destroy the fruits of the 100-year effort to give Philadelphia a unified city government. They point out that since the amendment would retroactively restore the rights, duties, and authority of former county agencies, and that since the language effecting the restoration is very broad, this amendment also would appear to repeal the councilmanic ordinance which modified the organization of three former county offices. It would thereby re-establish the Coroner, the Inspectors of Prisons, and the Recorder of Deeds as separate, unconsolidated agencies organized in accordance with law existent immediately prior to November 6, 1951. This change would make the Coroner and the Recorder once more elective and the Inspectors of Prisons once more appointive by the Board of Judges of the Courts of Common Pleas.

Taken altogether, this charter amendment would nullify virtually all of the gains* achieved in the city-county consolidation amendment, and would move the Fairmount Park Commission outside the executive branch of the government.

No. 14—Would Repeal the Ban on Certain Possible Activities by Councilmen

Proposed Amendment No. 14 would delete from the charter the provision that no city Councilman "shall solicit or recommend the appointment of any person to any position in the civil service, nor shall he interfere with the performance of the duties of the members of the Philadelphia Police, or of any other em-

* These gains include putting the employees of the former county offices under city civil service, and prohibiting them from engaging in political activities, and making these same offices subject to the housekeeping charter provisions which are applicable to other agencies paid out of the city treasury.

Advisory Commission Proposed

A bill has been introduced in Council to authorize "the appointment of a bipartisan committee to be known as the 'Charter Revision Commission' to study and report to Council suggested amendments to the Philadelphia Home Rule Charter."

The eleven member commission would "make a detailed study of the various administrative problems which have arisen in the operations of the City government . . . review existing delegations of power and authority . . . consider other suggestions for amendment" of the charter and would advise Council as to its findings. Thus, this commission would supplement the formal procedure for amending the Home Rule Charter but would not abridge Council's responsibility in the amendment process.

Proponents of the bill state that this type of commission would provide the most effective means of examining various alternatives for charter improvements and of airing the pros and cons of proposed amendments. Proponents also favor delaying any vote on proposed charter amendments until a general election when a greater number of registered voters cast ballots.

under-appropriation. Furthermore, they fear that the entire structure of the central merit system might be undermined by permitting Council to exact partisan concessions as a consideration for adequate appropriations.

No. 9—Would Give Council Final Approval of Water Rates

The Home Rule Charter provides that the Water Department shall set water rates "in accordance with such standards as the Council may from time to time ordain." Proposed Amendment No. 9 would require further that the Water Department set rates not only in accordance with standards ordained by Council but also "with the approval of the majority of the Council." There has been no legal determination to date as to what "standards" Council may ordain, and Council has set no standards beyond those which may be implied from the amounts which it annually appropriates to the Water Department.

Proponents believe that setting of water rates is a legislative function, primarily involving *policy* considerations, like fixing the tax rate.

Opponents think that rate-making for utility services is an administrative function, primarily involving *technical* considerations, subject only to the broadest of legislative standards.

No. 10—Would Require Councilmanic Review of Appointment of Personnel Director

The Home Rule Charter provides that the Civil Service Commission shall appoint the city's Personnel Director. Proposed Amendment No. 10 would make the Commission's appointment to that position subject to Council's confirmation.

Proponents of this amendment argue that giving Council such control over the appointment of the Personnel Director would make that official more responsive to the legislative branch of the city government.

Opponents point out that the framers of the charter placed the full responsibility for appointing the Personnel Director in the hands of a nonpartisan Civil Service Commission for the specific purpose of insulating that office—and the civil service system—against partisan influences.

Concern has been expressed that the adoption of the proposed amendment would open the door to political domination of the Civil Service Commission; for instance, the Commission might be forced to make major concessions of a partisan nature to win confirmation of its appointment to the position of Personnel Director.

No. 11—Would Provide for Councilmanic Confirmation of Mayor's Appointees for Positions of Managing Director, Director of Finance, and City Representative, and Would Abolish Finance Panel

The Managing Director, the Director of Finance, and the City Representative are now appointed by the Mayor without councilmanic confirmation. In appointing the Director of Finance, the Mayor is assisted by a Finance Panel* which submits the names of qualified persons from among whom the Mayor must choose an appointee.

Proponents of this amendment suggest that their proposal is in accord with the practice of requiring legislative confirmation of major appointees in the federal government and in many states and cities.

Opponents suggest that the present Philadelphia procedure is superior to that often found elsewhere because it preserves administrative responsibility and accountability, and bars Council from cutting into the prerogatives of the executive. Further, present charter provisions *enable* the Mayor to appoint his top administrative technicians on the basis of qualifications alone, partisan considerations aside. Moreover, the Finance Panel device aids him in appointing a Director of Finance.

* Composed of the president of the Philadelphia Clearing House Association, the chairman of the Philadelphia Chapter of the Pennsylvania Institute of Certified Public Accountants, and the dean of the Wharton School of Finance and Commerce of the University of Pennsylvania.

No. 12—Would Provide for Councilmanic Confirmation of Appointments by Managing Director and Director of Finance

The Home Rule Charter provides that the appointments by the Managing Director and the Director of Finance* shall be subject to confirmation by the Mayor. Proposed Amendment No. 12 would empower Council to confirm each of these appointments.

Proponents point out that legislative confirmation of the appointments of department heads is customary in American government. They favor this procedure on the theory that, if major appointees in the city government are subjected to councilmanic review, the likelihood of harmonious relations between the Council and the Mayor is increased.

Opponents fear that proposed Amendment No. 12, in combination with No. 11, might place Council in a position to demand partisan concessions, not related to the competence of the appointees, as a condition of confirmation. They also suggest that it would be especially undesirable for the Council to reach down to the administrative level below that of the Managing Director and the Director of Finance and exercise confirming power, thus opening the door to considerable legislative interference in administrative matters. They point out that the Home Rule Charter, unlike most municipal charters, creates a major administrative level between the Mayor and the department heads and therefore the practice in other cities is not comparable.

* The Managing Director appoints the Commissioners of Fire, Health, Licenses and Inspections, Police, Public Property, Records, Recreation, Streets, Water, and Welfare. The Director of Finance appoints the Commissioners of Procurement and Revenue. Also appointed by the Director of Finance, but not mentioned in the text of the proposed amendment, is the City Treasurer.

No. 13—Would Remove Fairmount Park Commission from the Charter and Would Nullify City-County Consolidation

Proposed Amendment No. 13 would remove the Fairmount Park Commission from under the Home Rule Charter and, in effect, would repeal charter Section 1-102 (2), which empowers Council to legislate on the reorganization of the former county offices when constitutional amendment or state law would permit.

Thus, this amendment would freeze, so far as the city's home rule powers are concerned, the organization of one city agency, the Fairmount Park Commission, and five former county agencies—the Board of Revision of Taxes, the City Commissioners, the Clerk of Quarter Sessions, the District Attorney, the Registration Commission, the Sheriff, and the Youth Study Center—as they all existed prior to November 6, 1951, when the city-county consolidation amendment was adopted.

Proponents of the amendment state

that these agencies could perform their functions more effectively if exempted from charter requirements on purchasing, budgeting, personnel, etc.

Opponents of the amendment, denying that the change would result in more efficient operations, state that it would destroy the fruits of the 100-year effort to give Philadelphia a unified city government. They point out that since the amendment would retroactively restore the rights, duties, and authority of former county agencies, and that since the language effecting the restoration is very broad, this amendment also would appear to repeal the councilmanic ordinance which modified the organization of three former county offices. It would thereby re-establish the Coroner, the Inspectors of Prisons, and the Recorder of Deeds as separate, unconsolidated agencies organized in accordance with law existent immediately prior to November 6, 1951. This change would make the Coroner and the Recorder once more elective and the Inspectors of Prisons once more appointive by the Board of Judges of the Courts of Common Pleas.

Taken altogether, this charter amendment would nullify virtually all of the gains* achieved in the city-county consolidation amendment, and would move the Fairmount Park Commission outside the executive branch of the government.

No. 14—Would Repeal the Ban on Certain Possible Activities by Councilmen

Proposed Amendment No. 14 would delete from the charter the provision that no city Councilman "shall solicit or recommend the appointment of any person to any position in the civil service, nor shall he interfere with the performance of the duties of the members of the Philadelphia Police, or of any other employees in any department, board or commission of the City."

Proponents favor this amendment because it would restore to Councilmen the right to recommend persons for positions in the city government.

Opponents state that the amendment would make possible the undermining of the merit system. It might encourage Councilmen to bring partisan influence to bear on the appointing officials, with the possibility that hirings might frequently be made on the basis of whom the applicants know, rather than on what they know.

The opponents also stress that this amendment would lift the charter's ban on interference by Councilmen with employees' performance of official duties, thereby opening the road to possible abuses.* (The charter now makes such interference punishable by, among other things, removal from office.) They point out that the charter does not now prohibit Council or its committees from checking and reviewing administrative matters; for example, they may question top officials and employees at legislative investigations, at budget hearings, and at other formal or informal meetings.

* These gains include putting the employees of the former county offices under city civil service, and prohibiting them from engaging in political activities, and making these same offices subject to the housekeeping charter provisions which are applicable to other agencies paid out of the city treasury.

* The opponents also contend that the way in which this proposed amendment was presented on the petition to Council obscured its effect, because the petition failed to show the words which the amendment proposed to delete from the charter.

Exemption from Civil Service

CITIZENS' BUSINESS No. 2,076 stated that proposed Amendment No. 4 would remove from the civil service system members and employees of the Board of Revision of Taxes, the Fairmount Park Commission (including the Fairmount Park Police), the Registration Commission, and "all other boards and commissions composed of members appointed by officers other than officers of the City." It should be noted that the amendment proposes also to exempt from civil service "the subordinates and employees of all elected officers other than those of the Mayor."

Advisory Commission Proposed

A bill has been introduced in Council to authorize "the appointment of a bipartisan committee to be known as the 'Charter Revision Commission' to study and report to Council suggested amendments to the Philadelphia Home Rule Charter."

The eleven member commission would "make a detailed study of the various administrative problems which have arisen in the operations of the City government . . . review existing delegations of power and authority . . . consider other suggestions for amendment" of the charter and would advise Council as to its findings. Thus, this commission would supplement the formal procedure for amending the Home Rule Charter but would not abridge Council's responsibility in the amendment process.

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A Citizen Organization for Improved Government

Philadelphia February 22, 1954 No. 2,077

SIX CHARTER AMENDMENTS INITIATED BY COUNCILMEN

TWENTY amendments to the Home Rule Charter are being formally considered by Council.* Fourteen of these were originally proposed by petition and were discussed in previous issues of CITIZENS' BUSINESS, Nos. 2,076 and 2,076S. The other six, initiated by two Councilmen, are discussed in this issue.

No. 15—Would Enable Council To Fill Vacancies in Some Elective Offices Pending Next Elections

At present, when a vacancy occurs in the elective offices of the three City Commissioners, City Controller, Clerk of Quarter Sessions, and Sheriff, the Governor fills it by appointment for the unexpired term. When a vacancy occurs in the elective office of District Attorney, the Judges of the Courts of Common Pleas make the appointment.

Proposed Amendment No. 15 would enable Council to fill vacancies in these elective offices

*Eight other amendments were informally proposed at a committee public hearing on proposed amendments.

until the next municipal election.

Proponents believe that this amendment is merited because it would permit a *city agency* to fill, on an interim basis, a vacant *city office*.

Opponents, conceding the soundness of the principle of filling vacant city offices by action of city officials or agencies, suggest that all the various devices for filling unexpired terms should be studied before a specific method is adopted. They also suggest that the amendment may have the effect of eventually destroying the present schedule of elections to local offices.

No. 16—Would Give Council Final Approval of Water Rates

Proposed Amendment No. 16 is identical with proposed Amendment No. 9, submitted to Council by petition. This proposal is discussed on page 3 of CITIZENS' BUSINESS No. 2,076S.

No. 17—Would Remove Some Employees From Civil Service

Proposed Amendment No. 17, while identical in principle with Amendment No. 4 (see CITIZENS' BUSINESS No. 2,076) differs from it in one important respect. This amendment, unlike the earlier proposal, would *not* exempt the employees of the Fairmount Park Commission from civil service.

No. 18—Would Delete Provision Granting Civil Service Commission Power To Waive Residence Requirement for Civil Service Employees

The charter now vests in the Civil Service Commission ultimate responsibility for waiving such residence requirements as Council may ordain for civil service appointments. Proposed Amendment No. 18 would delete the charter pro-

vision permitting the Commission to grant such waivers. Thus, under this amendment, Council would govern the conditions, if any, under which nonresidents would be employed.

Proponents of this amendment feel that far too many city jobs have been filled by nonresidents.* Opponents fear that if this amendment were adopted, Council would not permit the appointment of any nonresidents.

Opponents of the change point out that the current scarcity of qualified personnel in certain fields makes it necessary to recruit some workers without reference to their residence. They also state that the adoption of the amendment would make it more difficult, if not impossible, to employ qualified nonresidents, even when no qualified residents are available to fill vacancies. In their view, sound personnel policy dictates expansion of the recruiting base by relaxing the *residence* requirement in preference to relaxing the requirements pertaining to training and experience.

No. 19—Would Permit All City Officers and Employees Not Under Civil Service To Engage in Political Activity

Proposed Amendment No. 19 is similar *in principle* to proposed Amendment No. 3 which is discussed in CITIZENS' BUSINESS No. 2,076.

However, it is broader in its effect. In addition to those who would be permitted to engage in political activity under Amendment No. 3, it

*From April 17, 1952, until April 16, 1953, civil service appointees were required by ordinance to become residents of Philadelphia within six months after appointment. Since the latter date, appointments to civil service positions have been limited by ordinance to those who have been bona fide residents of the city for at least one year prior to appointment, unless the Civil Service Commission found that circumstances warranted a waiver of the residence requirement. The lack of qualified candidates has made necessary a number of waivers during the past year.

principally would include the following: the Managing Director; the Director of Finance; the City Representative; the department heads; all deputies; the City Solicitor and his deputies and assistants; the members of boards and commissions; and the executive directors appointed by boards and commissions.

No. 20—Would Permit City Officers and Employees To Be Candidates in Elections

The charter provides that if a city officer or employee runs for an elective office, he must resign his city job. Only officials standing for re-election are exempt from this requirement. Proposed Amendment No. 20 would permit any officer or employee to be a candidate for any elective office without resigning his position.

Proponents of this amendment state that the present requirement hurts the public service by discouraging many qualified officers and employees from seeking office. Lacking independent financial means, most city employees cannot afford to give up their city jobs to campaign.

Opponents state that if officers and employees were permitted to be candidates for public office, they would be tempted to use their positions to serve partisan ambition. The opponents also point out that an employee engaged in political campaigning is apt to neglect his official duties.

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CITY'S PROPOSED NEW HOUSING CODE

HOW far should Philadelphians through their city government go to improve living conditions in the city? In some respects, Council's Committee on Licenses and Inspections is now dealing with this fundamental question in its deliberations on the proposed housing code.

Municipal Interest in Housing

Municipalities have long had some concern for the regulation of housing. Earliest concern stemmed from the need for fire protection and structural safety and was first expressed in fire and building codes. Later, concern over the haphazard physical development of the community resulted in zoning codes and other devices for controlling land use.

Recently, attention has been directed to the effect of the quality of housing on the individual and the community. This goes beyond mere protection from fire or structural failure. It involves, in the words of an expert, "at a minimum, the state of repair of the dwelling structure, the kind and state of equipment and facilities, the space provided per occupant, adequate light and air,

and the neighborhood environment . . . "

Accordingly, housing codes have been enacted to reach many of these factors. Such codes, based on the city's right to legislate to protect public health, safety, morals, and welfare, incorporate answers to such questions as whether the private indoor flush toilet is now a luxury, amenity, or necessity. (Philadelphia in 1950 had 15,227 dwelling units without such facilities and 41,631 dwelling units which shared them.)

Philadelphia a Pioneer

Philadelphia pioneered with its Housing Code of 1915 but it has long been recognized that the old code—excellent though it may have been up to 20 years ago—leaves something to be desired in terms of present day standards and experience.

Accordingly, the city engaged the Philadelphia Housing Association to draft, with wide community participation, a modern housing code. This code, now before Council in the form of a proposed ordinance, would regulate (as did the old code) the more than 645,000 dwelling units in Philadelphia, by requiring minimum standards of occupancy, maintenance, and basic facilities.

Proposed Code: Existing Standards Continued

Old standards in the 1915 code which would be preserved in the new code without change are: (1) Sinks are required where water is available. (2) Public halls and stairways in multi-family dwellings must have adequate light and ventilation. (3) Residential structures must be kept in safe and sound condition. (4) Yards must have proper drainage. (5) Occupancy of cellars is prohibited. (6) Dual egress is required for multi-family dwellings and rooming houses. (7) Occupant is to be responsible for cleanliness of that part of premises over which he has exclusive

control; the owner is to be responsible for cleanliness of shared parts of premises. (8) Rubbish and garbage storage facilities are required.

Proposed Code: Existing Standards Qualified

Standards in the old code which would be carried forward with amendments are: (9) Inside water closets are required for each dwelling unit in two-family and multi-family dwellings except for some permitted sharing (one for three small units in old code, one for two small units in the new). (10) Inside running water is required (with exception of sparsely populated areas in old code, with no exceptions in new). (11) A window is required in every room (size: it must be 12 sq. ft. in old code, varying percentages of floor area in new). (12) Ventilation is required for each room (the top half of each window to be openable in old code, openable window area to be equal at least 3% of floor area in new). (13) Requirement of minimum space or area per person in rooms occupied for sleeping purposes (old code—400 cu. ft. for each person over age 12, and 200 cu. ft. for each under 12; new code—50 sq. ft. for each person over 12, and 35 sq. ft. for each under 12). (14) Limitation on sharing toilet facilities in rooming houses (one toilet for every four rooms in old code; one for every six persons in new).

Proposed Code: New Standards

New minimum standards in the proposed code are: (15) All outdoor toilets are prohibited. (16) A facility consisting of a lavatory basin and bathtub or shower is required for each dwelling unit, except that two small units may share a facility; one such facility is required for each six occupants in a rooming house. (17) Hot water lines and water heating facilities are required. (18) Electric service is required. (19) Heating facilities are

to be supplied. (20) Screens against insects are required. (21) Occupancy of every dwelling unit is regulated by a requirement of a minimum square foot area. (22) Access to bathroom or water closet must be available without passage through the sleeping rooms of other occupants.

Administration Defined

The new code separates substantive law from administrative detail (they were intermingled in the 1915 code), leaving the latter largely to be formally defined by the Department of Licenses and Inspections. However, certain administrative safeguards in the code assure due process to all persons affected by the code. These require the grant of reasonable time for compliance with code provisions; permit extensions of time for compliance in hardship cases; and provide for appeals.

In short, the proposed code is a "new broom" which seeks not only to fix standards but also to simplify the administrative task of securing compliance with those standards. The present housing code, according to many, has failed in its job over the past 20 years for lack of any planned and dynamic enforcement. (The prospect of more effective enforcement explains in some measure why many standards on the statute books as law since 1915 have now become controversial.)

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hiladelphia March 22, 1954 No. 2,079

FINANCING A NEW MUNICIPAL SERVICES BUILDING

CITY officials are now studying the question of providing more space to house city agencies. The city government, according to a report of the Public Buildings Commission,* now needs about 250,000 square feet of additional floor space and, over the next 20 years, will need another 236,000 square feet. (City Hall contains 500,000 square feet of space; City Hall Annex, 200,000 square feet.)

One Proposal

One possibility now being considered by city officials is that of having the Redevelopment Authority construct a "municipal services building" on Reyburn Plaza at a probable cost of $8-million. Under this proposal, the city would transfer ownership of a part of Reyburn Plaza to the Philadelphia Redevelopment Authority. The Au-

* The 15-member Public Buildings Commission, organized October 15, 1952, was created by the Mayor of Philadelphia to determine the *space requirements* of the courts and of city agencies for the present and for the next 50 years. Thus, the Commission made no recommendation as to the *financing* of new space.

thority would construct the building on this land, using the proceeds of *revenue* bonds to finance construction. The Authority would also rent the building to the city on a long-term lease, the city's rental payments to be at least sufficient to pay annual principal and interest charges on the Authority debt incurred for the project. After the bonds are retired and the lease expires, the city would take title to the building.

Simpler Procedure Possible

A simpler procedure would be for the *city* government to finance this project in the same way that other tax-supported capital projects are financed. Accordingly, the city would then issue general obligation bonds to pay for the major portion of the cost of constructing the building.* This city debt would then be retired by the same procedure as is other tax-supported debt.

Avoiding the Debt Limit

Essentially, the purpose of following the more involved procedure of using the Redevelopment Authority as a financing device is to avoid the debt limit restrictions placed on the city by the state Constitution. Philadelphia's tax-supported indebtedness now approaches the constitutional debt limit. Thus, financing the building as a regular city capital project would mean postponing the construction of that building or abandoning some major tax-supported projects now planned and considered by city officials as necessary for adequate community development.

Other Considerations

However, there are a number of considerations which raise some questions as to the desirability

* It is assumed that the remaining portion would be financed out of current revenues, in accordance with present practice.

Cost of New Municipal Services Building

The Public Buildings Commission estimated the cost of constructing a general purpose municipal building to be between $8-million and $12-million, depending on the amount of floor space provided. On the basis of an average interest rate of 3% and a bond retirement schedule spread over 25 years, the debt service for an $8-million building would average about $450,000 per year.* Operating and maintaining the building would cost about $375,000 per year. Thus, the total annual cost would be about $800,000.

These costs would be offset, in part, by about $200,000 per year (based on 1954 estimates) now being paid by the city for the rental of privately-owned space which would be vacated by the city upon construction of the proposed building. Furthermore, city officials estimate that if a municipal services building is not constructed within the next several years, it will be necessary for the city to lease about $260,000 of additional space annually.

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* It has been suggested that the Redevelopment Authority issue serial bonds for a period of as long as 40 years to finance the proposed municipal services building. While a longer bond maturity schedule reduces the *annual* cost of debt service, it increases the *total* debt service cost because of the longer period during which interest must be paid.

of using the Redevelopment Authority as the financing device for the construction of this building. Among these are:

1. It is asserted that a municipal services building is a capital project no different from other

municipal tax-supported projects and should be considered among all capital projects and made subject to the debt limit. When the city resorts to the authority device as a means of capital financing, the constitutional debt limit is ineffective as a brake against overexpansion of municipal debt.

2. Rental payments by the city to the Authority would be, in fact, debt service payments to retire the debt on the building. In the past, when the city government has incurred too heavy a load of debt service during boom periods, important city agencies have been deprived of adequate operating funds during a period of declining municipal revenues.

3. Using the authority device to avoid the debt limit might ultimately have an adverse effect on the city's credit rating with a consequent increase in its over-all interest costs.

4. When the authority device is used to finance capital projects, the procedure is so involved and the considerations so numerous as to make difficult general citizen understanding of the merits or demerits of the proposal. Furthermore, the use of indirect devices for performing municipal operations has the effect in the long run of lessening public confidence in government.

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hiladelphia April 12, 1954 No. 2,080

BUREAU'S REPORT RECOMMENDS NOISE ABATEMENT PROGRAM

MEMPHIS is generally acknowledged as ranking among the quietest U. S. cities. Philadelphia, on the other hand, has been rated in recent years as ranking among the noisiest cities.

Cause and Effect

The major reason for this difference in achievement is that while both Memphis and Philadelphia have enacted comprehensive anti-noise laws, only Memphis has maintained a vigorous anti-noise educational and enforcement program. So states the Bureau of Municipal Research in its recent 28-page report, *Quiet, Please!—Noise Abatement for Philadelphia.*

In Memphis, the Bureau's report points out, the anti-noise legislation is "enforced to the letter, supported by a constant campaign of education which has enlisted the sympathetic understanding and cooperation of the population."

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Philadelphia's Anti-Noise Law

Philadelphia's principal anti-noise law* establishes a sweeping ban on all "unnecessary noise." It also specifically lists nine prohibited noises and noise sources:

1. Unusual sound devices, such as sirens, on ordinary motor vehicles.
2. Unnecessary auto horn-blowing.
3. Muffler cut-outs, and defective auto mufflers.
4. Improperly loaded vehicles.
5. Defective vehicles.
6. Careless handling of ash, trash, and garbage cans.
7. Horn-blowing, bell-ringing, and the like by peddlers.
8. Use of sound trucks and other broadcasting devices for advertising purposes.
9. Construction work between 6 P.M. and 6 A.M. (Eastern Standard Time), except by special permit.

Comparing the Anti-Noise Laws

A comparison of Philadelphia's and Memphis' anti-noise laws reveals that they are basically similar. In one important respect, however, Memphis is more restrictive: it does not allow construction work to start before 7 A.M.; Philadelphia's permissible starting-time is 6 A.M. Moreover, Memphis' laws include five prohibitions not listed in Philadelphia's legislation: yelling, shouting, and hooting; the keeping of noisy pets; unnecessary blowing of factory whistles; noisy loading and unloading operations; and the unreasonable use of sound trucks for *noncommercial* purposes, such as political speeches and other public addresses.

On the other hand, Philadelphia's blanket prohibition of "unnecessary noises" could probably be construed to cover all of these five offenses except the last—the prohibition of the unreasonable use of sound trucks for noncommercial purposes.

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* Ordinance of May 14, 1936. Two other principal measures are the state act of January 30, 1919 (P.L. 678), as amended, pertaining to horn-blowing and mufflers, and an ordinance of July 28, 1933, pertaining to the use of blaring sounds for advertising purposes.

"Quiet, Please!" Now Available

A limited number of copies of *Quiet, Please!—Noise Abatement for Philadelphia* are now available, free of charge, from the Bureau of Municipal Research.

(This latter type of regulation has been placed in a special category by the U. S. Supreme Court and must be spelled out carefully.)

Lack of Education and Enforcement

Thus, Philadelphia's noise abatement legislation provides sufficient tools for a successful program. But Philadelphia's anti-noise program has faltered primarily because of a lack of persistent enforcement and a lack of a continuing educational program.

If an adequate noise control program is to be achieved in Philadelphia, states the Bureau, energetic action must be taken along these three lines: education, enactment of necessary supplementary legislation, and persistent enforcement of the anti-noise laws.

Education. Sponsoring and carrying out an anti-noise educational program should be a cooperative venture of civic, business, transportation, labor, and other organizations. These organizations should form a city-wide noise abatement committee, which would be responsible for maintaining a year-round noise abatement campaign.

Legislation. Actually, Philadelphia appears to have at hand most of the necessary legal tools. Only one major gap exists—regulation of noncommercial use of sound trucks. In this field, the legislation must be carefully drawn so as to meet constitutional requirements. The report cites as a possible model the Norfolk ordinance, which lim-

its the time when such trucks may be used and the maximum volume of their broadcasts.

Enforcement. "Unrelenting and persistent enforcement" should be the aim of citizens and officials alike. Initially, states the report, a comparatively large amount of policing work would be required to obtain adequate enforcement.

"However, once the new pattern of noise abatement is established, it may be anticipated that adequate enforcement will require less effort."

HELPING THE TAXPAYERS

The practice of having mortgage companies pay taxes for the mortgagee has posed real problems for the city's tax collectors, chiefly because of bills going astray. The Department of Collections has worked out what it hopes will be a foolproof procedure.

Now, each mortgage company files with the Department a request, in duplicate, for the tax bill on each property. When the tax bill is sent to the company, one copy of the request is retained by the Department, the other is sent to the property owner, thereby informing him where the bill has been sent. If the company has erroneously requested a bill, the property owner can straighten out the difficulty, and pay his bill in time to avoid any tax penalty.

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JUVENILE COURT — I

CURRENT interest in juvenile delinquency in the U. S. focuses attention on the judicial facilities for dealing with this problem.

Municipal Court Has Jurisdiction

In Philadelphia, the Municipal Court, sitting as the "juvenile court," has exclusive jurisdiction in all proceedings affecting delinquent children under 18 years of age. This court also has exclusive jurisdiction in cases affecting dependent or neglected children, mentally or physically handicapped children, and adults contributing to the delinquency, dependency, or neglect of any child.

A delinquent child is one who has violated any law of Pennsylvania or ordinance of Philadelphia; who, by reason of being wayward or habitually disobedient, is uncontrolled; who is habitually truant from school or home; or who conducts him-

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This is the first of a series of articles dealing with the Juvenile Court.

self so as to injure or endanger the morals or health of himself or others.

Reason for Separate Court

The philosophy behind the establishment of a separate court for juvenile cases is expressed in the preamble of the Juvenile Court Law of 1933:

"The welfare of the Commonwealth demands that children should be guarded from association and contact with crime and criminals, and the ordinary process of the criminal law does not provide for such care, guidance and control as are essential to children in the formative period of life . . . [Thus] it is important that the powers of the courts, with respect to the care, guidance and control over delinquent, neglected and dependent children should be clearly distinguished from those exercised in the ordinary administration of the criminal law."

A guiding principle behind the juvenile court procedures is the rehabilitation rather than the punishment of the child. The personality of the child and not the offense is the most important consideration for the disposition of a case.

Preliminary Interview

After arrest, children under 18 are taken directly to the Youth Study Center by plainclothes police.* Each child is given a preliminary, informal interview at the Youth Study Center. Personnel at the Center question the child, the police officer or prosecutor, the parents of the child, and witnesses. The main purpose of this interview is to determine if the case requires judicial disposal at a court hearing. If the offense

* While most of the juveniles who come in contact with the court are apprehended by police, some juveniles are referred by other agencies or by private individuals.

Municipal Court Jurisdiction

The Municipal Court has exclusive jurisdiction in the proceedings concerning: (1) dependent, delinquent, and neglected children under 18; (2) incorrigible, runaway, and disorderly children from 18 to 20; (3) desertion or nonsupport of wives, children, and indigent parents; (4) street walkers; and (5) adoptions. It has concurrent jurisdiction with other county courts in civil actions at law and in equity on claims up to $2,500, and in criminal actions, except in crimes of gravest nature.

is not serious and the child has a good home, the case may be "adjusted," that is, the child may be discharged in the custody of his parents. However, all decisions as to adjustment must be confirmed by a juvenile court judge.

If Further Action Is Required

If it is determined that further investigation and judicial decision at a court hearing are needed, a petition, alleging delinquency, is prepared by an employee of the Juvenile Division. Formal jurisdiction over a case is not obtained by the Municipal Court until this petition, alleging that the child is delinquent, dependent, or neglected and in need of care, guidance and control, is filed with it.

Pending the court hearing, the child may be permitted to go home in the custody of his parents or guardians, or may be required to remain at the Youth Study Center.

When the case is listed for court, probation officers conduct a preliminary investigation. A

physical and mental examination is also given the child by the Medical Division of the Court.

Court Hearings

Sessions of the juvenile court are held separate and apart from the other business of the Municipal Court. Records and proceedings are separately docketed and withheld from general public inspection.

The court hearings, therefore, are closed to the public and the press. Only the child, the parents or guardians, the prosecutor and witnesses of the case, and representatives of interested social agencies are permitted to attend. Compared to regular criminal proceedings, a juvenile court hearing is informal and strict adherence to rules of evidence and procedure is not required.

At the hearing, a report is given to the judge. This report covers such subjects as the child's family relationships, home and neighborhood, economic status, personal history, school history, religious training, personality, interests, and associates. With this information, the judge can determine whether the best interests of the child and the community require the child's guidance and control. Action on the case may take the form of a reprimand, or the child may be placed on probation or committed to an institution.

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HOW MANY POLICE DISTRICT STATIONS?

STUDENTS of police work frequently propose consolidating police district stations as a way to make police administration not only more effective but less costly. Contending that mortar and brick, as such, prevent no crimes, they say that the personnel, maintenance, and operating costs of excess district stations dissipate funds which could be used for other police purposes. They point out that the basic pattern of police district layout in the typical American city was developed when communication and transportation were slower and less reliable than today.

MAY 24 1954

Resistance to Consolidation

Any move to consolidate police districts is likely to meet with strong opposition in the districts to be consolidated. Local residents, neighborhood leaders, and merchants fear that abandoning district stations will be accompanied by deteriorating police efficiency. The proposal to remove a physical landmark of "law and order" creates a fear that, somehow, important police services will be less accessible.

NUMBER OF POLICE DISTRICT STATIONS IN

City (population)	District stations	
	12/1/47	3/1/
New York City (7,891,957)	87	85
Chicago (3,620,962)	39	38
Philadelphia (2,071,605)	**36**	**24**
Los Angeles (1,970,358)	12	12
Detroit (1,849,568)	15	15
Baltimore (949,708)	8	8
Cleveland (914,808)	6	6
St. Louis (856,796)	12	12
Washington, D. C. (802,178)	13	14
Boston (801,444)	17	17

Cost of a District Station

In Philadelphia, each of the 24 district stations normally has these full-time personnel:

1 Captain	$ 6,200
3 Lieutenants	16,200
3 Sergeants	14,800
1 Clerk-typist	3,100
3 Turnkeys	12,300
1 Custodial worker	2,700
Total	$55,300*

Both because the operating and maintenance costs vary with the size, age, and style of the building, and because the city government is now undertaking a special renovation and rehabilitation program for police buildings, current operating and maintenance costs for these buildings

* The foregoing does not include the cost of relief personnel which —if provided to guarantee around-the-clock coverage for positions of lieutenant, sergeant, and turnkey at average salary rates appertaining to these positions—is estimated to have an annual value of $15,000 when computed upon the basis of 94.6 days off per man per year for lieutenants, sergeants, and turnkeys (52 due to regular days off, 15 to vacation, 13 to holidays, and 14.6 to sick leave).

	Comments
	organization of district stations planned.
	strict stations to be reduced to 32.
	ditional consolidations of districts planned. (See text.)
	ntemplating addition of 4 district stations to serve expanded areas.
	organization of police districts now under way with net reduction of one contemplated.
	so has 2 sub-stations. A rebuilding program, financed from indebtedness already authorized, is soon to be undertaken.
	1938, district stations were reduced from 16 to 6. umber of districts set by state statute.
	recent survey recommended abolition of several station houses, as part of a long-range plan.

are difficult to approximate. However, it is estimated that the present maintenance costs per district station equal about $6,000 annually.

Number of Police District Stations

Since 1947, the city has reduced district stations from 36 to 24. The table above indicates the number of police district stations on December 1, 1947, and March 1, 1954, in American cities with over 800,000 population. The table below shows the average population* per district station in each of these cities, as of March 1, 1954:

Los Angeles	164,200
Cleveland	152,500
Detroit	123,300
Baltimore	118,700
Chicago	95,300
New York City	92,800
Philadelphia	**86,300**
St. Louis	71,400
Washington, D. C.	57,300
Boston	47,100

* Calculated on basis of 1950 census data.

Even with the one-third reduction in Philadelphia's district stations in recent years, the average population now served per district here is somewhat smaller than the 95,000 persons served by the average police district in all other cities with over 800,000 population.

Population statistics, however, are only one of a number of criteria for determining the need for a given district station. Other criteria include: (1) the adequacy of the consolidated district station to accommodate personnel added by the consolidation, and (2) the frequency and degree of criminal activity in the area.

Broader police matters such as the adequacy of communication and transportation facilities also must be considered in consolidation plans.

Philadelphia's Plans

Philadelphia's present plans for police district consolidation contemplate a further net reduction of two in the number of police district stations; the abandoning of a third station is under study.

By means short of actual consolidation, the city is achieving some economies, namely, by replacing separate fire and police facilities in some districts with single buildings, each housing a fire company and a police district headquarters. Also, if the city constructs a new municipal services building, it may be feasible to transfer a police district headquarters to that building.

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Philadelphia May 24, 1954 No. 2,08[1]

CONSOLIDATION STILL OFFERS CHANCE TO SHORTEN BALLOT

A MAJOR objective of city-county consolidation is the shortening of the ballot.*

To date, Council has dealt with eight of the former county offices, and has removed from the ballot thrice formerly elective officers—City Treasurer, Coroner, and Recorder of Deeds. Council has continued the Clerk of Quarter Sessions as an independent, *elective* officer.

Future Action

Council will soon be considering the status of some other agencies. If it follows its Advisory Consolidation Commission's proposals, Council would "consolidate" the Sheriff by continuing him also as an independent, *elective* officer; and it would replace for the performance of registration and voting activities the three elective City Commissioners and the five-member, appointive Registration Commission by a three-member independent, *elective* Board of Elections.

* City voters now *elect* to local offices, on a citywide basis, 9 officers, 7 councilmen-at-large, 41 judges, and 28 magistrates; and, on a district, ward, or division basis, 10 councilmen, 106 constables, and 4,365 election officers.

Viewed from the standpoint of reducing the elector's voting task to one which he can handle intelligently, Council should reopen the whole question of the elective offices to see if they may not be reduced in number.

Duties Primarily Administrative

The Clerk of Quarter Sessions and the Sheriff are primarily judicial administrative officers. The duties of the Clerk are the same functionally as those of the Prothonotary, who has been *appointed* ever since 1873 (the Clerk serving the courts internally in criminal matters; the Prothonotary, in civil matters). The Sheriff serves the courts externally in service of papers and in execution of other court orders.

The proposed Board of Elections, beginning in 1956, would administer state registration and election laws, related functions now performed separately by the Registration Commission and the City Commissioners.

The five elective officers—Clerk, Sheriff, and City Commissioners—are ministerial officers engaged primarily in performing duties prescribed by law or by court rules. They determine no policy and the area of discretion permitted to them is relatively narrow—in fact, narrower than that of the city's *appointed* Managing Director and most of his 10 *appointed* department heads.

Key Positions Only on Ballot

Recent trends in local governmental organization have been toward reducing the offices on the ballot to just those key positions which involve "determination of policy" in the broadest sense, and toward making appointive those whose primary duties are administrative or ministerial. *Elected* administrators at this administrative level may be more interested in perpetuating themselves

Anti-Noise Week, May 24–30

With city officials, the Philadelphia Junior Chamber of Commerce is sponsoring an "anti-noise week" May 24–30—a recommendation made by the Bureau of Municipal Research in its recent report, *Quiet, Please!—Noise Abatement for Philadelphia.*

in office than in doing an effective job; they frequently lack essential qualifications; they contribute toward uncoordinated governmental structure by efforts at "independence" in matters of little significance; and they are hard to bring under the system of internal controls obtaining generally throughout the city government.

The election of administrators who have few or no policy-making functions is also undesirable from the standpoint of responsible government and effective popular control. The more numerous the independent, elective officials, the greater is the diffusion of power and responsibility, and the more difficult it is for the voters to give credit to the good administrator or blame the bad.

A Side Issue

All agencies subject to consolidation are now under the charter's civil service provisions, including the ban on political activity. Interest has been expressed in removing *all* elective offices from under these provisions. In the view of some, this is added reason for making more rather than fewer offices appointive.

However, Council's decisions should rest on the merits of appointive versus elective arrangements, and should proceed irrespective of the "civil service" or "non-civil service" status—present or future—of the offices.

Council's Powers in Consolidation

Council's powers in city-county consolidation are set forth in Section 1-102 (2) of the Home Rule Charter:

> Any additional executive and administrative power . . . conferred by amendment of the constitution . . . shall be vested in [the agencies created by the charter] . . . Council shall by ordinance distribute . . . such new powers and duties . . . In the case of new officers whose primary duties are to assist the courts, the appointive power may be vested in the judges thereof . . .

In 1953, legislation was adopted specifically authorizing Council to consolidate the offices of City Treasurer, Coroner, Inspectors of the Philadelphia Prisons, and Recorder of Deeds—all of which have been fully merged into the city government—and the Clerk of Quarter Sessions, whose office is unchanged organizationally.

The same legislation excluded the offices of Board of Revision of Taxes, City Commissioners, Registration Commission, and Sheriff, but the Supreme Court held the exclusion unconstitutional. However, it did not rule on whether Council could go ahead without specific legislative approval. Some believe that Council cannot act without such approval, while others hold that Council can act at any time without it. Only a court case will decide the point beyond doubt.

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JUVENILE COURT—II

SINCE the "juvenile court" is the city's only judicial agency having jurisdiction over juveniles, the number of cases handled by the court may serve as a rough measure of juvenile delinquency in Philadelphia. This CITIZENS' BUSINESS presents some facts on the volume of the juvenile court's work in recent years.

Number of Cases

In 1953, the total number of delinquency cases disposed of* by the juvenile court (more technically, the Juvenile Division of the Municipal Court) was 8,322. Of these, 7,033 involved boys, and 1,289, girls. This total was the highest for any of the years since 1945.

The number of delinquency cases disposed of, and the number of cases adjudged delinquent, by the juvenile court since 1940† is shown in the table on the following page.

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* "Cases disposed of" comprise the total case load of the juvenile court, i.e., both those discharged and those adjudged delinquent.

† The year 1940 is used as the starting point because it was the first year in which the present juvenile court age span (7-17) went into effect.

Juvenile Court Cases, 1940–1953

Year	Total cases	Cases adjudged delinquent
1940	5,934	2,368
1941	6,322	2,485
1942	6,801	2,349
1943	8,877	2,518
1944	8,898	2,873
1945	9,238	3,039
1946	7,801	2,367
1947	6,683	2,657
1948	6,870	2,570
1949	6,712	2,634
1950	6,193	2,466
1951	6,497	2,678
1952	7,189	3,071
1953	8,322	3,564

During the years of World War II (1942–1945), the number of dispositions showed a sharp and continual increase over the previous period. The wartime peak, reached in 1945, represented a 56% increase over the year 1940. This wartime phenomenon has been attributed to various factors, such as the general excitement of war, the absence of fathers in the armed services, and the employment of mothers in defense industries.

In the five years following the war, there was a marked decline from the wartime peak. However, starting in 1951, the downward trend came to an end, and the past three years show steep increases. This reversal in trend has sometimes been attributed to the outbreak of the Korean War and the recurrence of conditions similar to those of World War II.

Number of Individuals

The number of *cases* disposed of by the juvenile court is considerably greater than the number of *individuals* appearing before the court, since some

of the children are dealt with by the court two or more times in the same year. Thus, in 1953, the 8,322 delinquency cases disposed of represented only 6,651 individuals. These, too, are not necessarily children whose first contact with the court was in 1953; actually, 34% (2,235) of them had had some contact with the court in a prior year.

Disposition of Cases in 1953

Many of the cases which come before the court are discharged; however, since the juvenile court is not a criminal court, the term "discharged" takes on a special meaning. It may mean either that the child is remanded to the custody of his parents, with or without a reprimand, or that the case is dismissed for lack of evidence of delinquency. For example, in a case of minor delinquency, a child may be discharged if the court feels that no further court treatment is necessary.

In 1953, of the 8,322 delinquency cases disposed of by the court, 52% (4,341) were discharged, either at the preliminary interview before a probation officer, or at the court hearing. Another 3% were discharged as to the offense alleged, but continued on probation; 2% were referred elsewhere, either for disposition or for medical treatment. In the remaining 43% (3,564) of the cases, the child was "adjudged delinquent"; that is, the judge determined that the child needed additional control and guidance by the court.

Of those adjudged delinquent, 62% (2,213) were placed on probation, 32% (1,130) committed to institutions for delinquents, and the remainder, 6% (221), referred to other institutions or agencies, sent to the criminal court, or ordered to make money payments.

This is the second of a series of articles dealing with the juvenile court.

Trend in Disposition

According to court officials, the number of cases "adjudged delinquent" tends to reflect, to some extent, the serious offenses heard by the court over the years. As indicated in the table, the postwar low in number adjudged delinquent was reached in 1946, and the next low, 1950; since then, the number has increased each year. Moreover, although a greater number of cases were *disposed of* in 1945 (9,238) than in any other year, more cases were *adjudged delinquent* in both the years 1952 (3,071) and 1953 (3,564) than in 1945 (3,039).

Lack of Sufficient Institutions

Although a large majority (62% in 1953) of those adjudged delinquent are placed on probation, court officials state that probation is often a makeshift which the court must employ because of the lack of sufficient specialized institutions for delinquents, particularly for children with psychopathic traits or certain other defects. The high percentage of probationary failures among such children may be attributed, in part, to the fact that often the court must rely on probationary supervision even though it realizes that institutional discipline and care would be the only adequate solution.

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CITIZENS' BUSINESS

Published by the

BUREAU OF MUNICIPAL RESEARCH

A Citizen Organization for Improved Government

Philadelphia June 28, 1954 No. 2,085

MONEY COSTS MONEY— PRIMER ON INTEREST

The recent pattern of fixing the interest rate on the coupons of Philadelphia municipal bonds almost completely obscures the actual cost of borrowings made by the city. The bond sale of May 19, 1954, typifies the situation.

Bewildering Coupon Rates

Examination of the coupon rates fixed by the bond dealers who made the successful bid shows that the bonds maturing in the years 1955 to 1980 will bear interest as follows:

Term of bonds (years)	*Rate of coupon*
1– 9	4.00%
10–11	3.00
12–14	2.25
15–18	2.50
19–24	1.00
25	0.75

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If one assumed that these coupon rates reflect true interest costs, he would conclude that money borrowed for one year would cost the city 4.00%

per annum; money borrowed for 10 years would cost 2.00%; and money borrowed for 25 years would be available at the astoundingly low rate of 0.75%.

The superficial observer might also conclude that if maturities were extended for a little longer, lenders would offer the use of their money for nothing.

Effective Interest Received by Investor

As a matter of fact, the pattern of "effective interest" (actual interest) received by the ultimate investor is almost the reverse of that shown by the coupons. Thus, after the recent city sale, the bond dealers "reoffered" the bonds on the next day to customers so as to yield interest as follows:

Term of bonds (years)	*Yield basis on reoffering— "effective interest" to investor*
1	0.80%
10	1.90
20	2.95
25	3.05

It may be seen that while the city is paying 4.00% per annum on money due a year hence, the bond is so priced that the investor will receive only 0.80% per annum; for 20-year maturities, the city pays 1.00%, the investor receives 2.95%; and for 25 years, the city pays 0.75%, the investor gets 3.05%.

All of this is a part of the complicated process of price adjustment accomplished by the investment banker between the city and the ultimate buyer. It involves tailoring the bonds to meet the particular investment needs of customers.*

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* Illustration of pricing: in accordance with the stated pattern, a person buying on the reoffering a $1,000 4% bond maturing in 9 years paid $1,182 for it. In the 9 years he will receive $360 in interest, offset by the $182 premium, for a net return of $178—equaling an effective interest rate of 1.80% per annum.

Impact Upon Municipal Borrowing Practices

The relatively high cost of long-term money has a significant impact on the policies which cities should pursue in planning their capital financing operations.

For example, on the basis of informed opinion, it appears that if the City of Philadelphia had undertaken to issue $30,000,000 in bonds early in May 1954, payable on the schedule shown below, the interest costs would have tended to vary substantially as follows:

Term of bonds (years)	*Principal*	*Effective interest rate per annum*	*Total interest*	*Total interest as % of principal*
10	$10,000,000	2.00%	$2,000,000	20%
20	10,000,000	2.60	5,200,000	52
25	10,000,000	2.75	6,875,000	69

Thus, while one might ordinarily think that the interest cost on money borrowed for twenty years would be only 2 times as much as on money borrowed for 10 years, this table indicates that the cost would actually be more than $2\frac{1}{2}$ times as expensive.

And, money borrowed for 25 years is almost $3\frac{1}{2}$ times as costly as money borrowed for 10 years, because the city would pay interest not only for $2\frac{1}{2}$ times the number of years, but at a substantially higher annual rate, 2.75% as compared with 2.00%.

Short-Term Loans Imperative

The effect of this pattern of interest rates is one of the factors which has led the Bureau of Municipal Research to urge the city to adopt shorter term schedules for its bonds. The present Mayor and Council have substantially reduced the average life of the bonds which the city has issued; in almost all new authorizations, the ma-

turities have been held within the range of 15–35 years, and, in a number of instances, the terms of bonds previously authorized have been reduced.

Shorter terms mean, of course, that the amounts required for annual principal payments are larger. For example, on a 1 to 10-year $10,000,000 serial issue, principal payments are $1,000,000 per year, while on a 1 to 25-year issue, principal requirements are only $400,000 annually. Nevertheless, Philadelphia's officials have deliberately chosen a policy of shorter terms. This decision reflects their judgment that the advantage of keeping total interest costs low outweighs the advantage of keeping annual principal payments low.

VACATION FOR CITIZENS' BUSINESS

Our readers are reminded that regular issues of CITIZENS' BUSINESS are not published during July and August.

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CITIZENS' BUSINESS

Published by the

BUREAU OF MUNICIPAL RESEARCH

A Citizen Organization for Improved Government

Philadelphia September 13, 1954 No. 2,086

CITY FURNISHES EMPLOYEES VALUABLE FRINGE BENEFITS

AMONG the attractive features of working for Philadelphia's city government are the fringe benefits granted city employees.

"Fringe" benefits are defined generally as consisting of *payroll* payments for "time not worked" (such as paid vacations) and *non-payroll* payments for certain other benefits (such as hospitalization insurance). To illustrate the principal fringe benefits available to a Philadelphia city employee, let us examine the situation of "Phil Penn," an assumed typical non-uniformed employee who has been working in a City Hall office for 11 years and is earning $3,600 per year.

Three Weeks' Annual Vacation

As an employee with 11 years of service, Phil is entitled to 3 weeks—15 working days—of annual paid vacation. (Those with less than 10 years' service get 2 weeks.) Phil's vacation pay equals about $207 (that is, 15 times $13.79 per day), or about 6% of his year's salary.

Comparisons. The Chamber of Commerce of the U.S. found that the private firms it surveyed nationwide in

1953 devoted about 3% of their payrolls to paid vacations.*

13 Paid Holidays

Each year, Phil is given 13 paid holidays. Phil's pay for these 13 days is about $179, or about 5% of his annual salary.

Comparisons. The U.S. Department of Labor states that most (71%) of the *Philadelphia* private firms it surveyed in October 1952† gave their office workers up to 8 paid holidays per year; only about 16% allowed 13 holidays. The U.S. Chamber of Commerce notes in its nationwide survey that paid holidays cost about 2% of private business annual payrolls.

Sick Leave and Welfare Benefits

As a full-time employee, Phil accrues 1 2/3 days of sick leave for each month of service, totaling 20 (working) days per year. Unused sick leave may be accumulated up to 180 working days (36 weeks). Assuming Phil averages 6 days' sick leave per year, his pay for that time-off will total about $83, or about 2% of his annual earnings.

Also, beginning in March of this year, the city has been making available on behalf of each general (non-uniformed) employee $15 per year for payment directly to any approved health-medical plan (such as Blue Cross) designated by the employee.

Comparisons. The U.S. Chamber of Commerce states that less than 1% of the payrolls of surveyed firms was spent for sick leave; an additional 1% was spent, apparently, for related welfare benefits.

Pension Protection

As a general employee, Phil is a member of the Municipal Pension Fund, which, among other things, will pay him on retirement at age 60 a

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* Chamber of Commerce of the U.S., *Fringe Benefits, 1953.*

† U.S. Department of Labor, *Occupational Wage Survey, Philadelphia, Pennsylvania, October 1952* (Bulletin No. 1116-5).

half-pay pension, up to $2,400 per year, for 20 years' service, or a pension of as much as $3,600 for 40 years' service.

Phil pays annual dues of $108 for this coverage. The city's cost may be variously computed. The total "current actuarial cost" is about $396 per year per $3,600 employee. Thus, subtracting Phil's dues, the net cost to the city is about $288, equal in amount to 8% of Phil's annual salary. However, the city has been appropriating only enough to meet the Fund's cash needs, or an amount equal, at present, to about 3% of each employee's salary.

Comparisons. The U.S. Chamber of Commerce survey indicates that private firms are paying an amount equal to about 6% of their payrolls for pension costs (including actuarial and cash disbursement programs, and federal social security).

A Word of Caution

While Phil Penn's fringe benefits appear in many respects to be more liberal than those offered by private firms, it would be risky to conclude, on the whole, that the city is more generous than private industry. Many private firms provide benefits that have no counterpart in City Hall; e.g., unemployment compensation coverage, profit-sharing, and bonuses.

Perhaps the major difference between city and private industry fringe benefits is that the city provides more time-not-worked payments. Thus, the report of the U.S. Chamber of Commerce indicates that private industry fringe benefits cost an amount equal to 19.2% of payroll,* out of which about *one third,* 6.2%, was for time-not-worked; Phil Penn's fringe benefits cost about 21% of his salary,† out of which over *one half,* 13%, was for time-not-worked.

* 20.7% in the North East Region, which includes Pennsylvania.
† Or 16% of his salary, if pension cost is computed on a cash basis.

Memorial Meeting for Clarence G. Shenton

A memorial meeting to honor the memory of Clarence G. Shenton, who passed away suddenly on August 13, will be held on September 16 at 4:00 p.m., in the auditorium of the Social Service Building, 311 South Juniper Street, Philadelphia. Mr. Richard W. Slocum, Executive Vice President of *The Evening Bulletin,* will preside at the meeting.

Mr. Shenton's career of distinguished service to Philadelphia started in the Bureau of Municipal Research. He became a member of its staff in 1920 and its assistant director in 1924. In the latter capacity he served until 1937 when he joined the editorial staff of *The Evening Bulletin* with which he remained associated until his death. He also was Secretary of the Thomas Skelton Harrison Foundation from 1926 to the end of his career. In all of these positions Mr. Shenton served with great ability and made notable contributions to better government in Philadelphia.

To the many groups and individuals who have been helped by Mr. Shenton's work in their efforts for a better Philadelphia, the memorial service will afford an opportunity to pay public tribute to him for his outstanding civic service.

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A Citizen Organization for Improved Government

Philadelphia September 27, 1954 No. 2,087

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PENSION INCREASE 'AUTHORIZED' BY 'LEGISLATIVE RECOGNITION'

WHEN the city of Philadelphia has a duty imposed on it by a statute of the State Legislature; and

When the city chooses, with the consent of the courts, to carry out that duty through a "private" corporation; then

Query: *May the city authorize that corporation to ignore the provisions of the statute and, as a by-product, incur a substantial financial liability on behalf of the city?*

Answer: Yes, according to Informal Opinion No. 159 (July 1, 1954) of the City Solicitor's office.

Involves Pension System, Naturally

As might have been expected, this extraordinary ruling relates to the city's hodgepodge of retirement systems for city employees. The "private" corporation under question is the "Police Pension Fund Association," which pays pensions to retired city policemen and their survivors.

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Historical Background

Philadelphia's 1885 charter (enacted by the State Legislature) had a provision *requiring* the city to establish "by ordinance" a pension fund for the police and fire force. In 1893, the State Legislature passed another law on the subject of police pensions, this time *permitting* cities to establish pension funds for policemen. In 1929, the 1893 law was amended, and Philadelphia was again *required* to "establish by ordinance a police pension fund." But the city of Philadelphia never did set up a police pension system.

In 1891, following the city's failure to comply with the 1885 charter, the Police Pension Fund Association was chartered as a non-profit corporation, to provide pension coverage for the uniformed members of the city's police force.

Subsequently, beginning with 1895, the city in effect extended official recognition to the Police Pension Fund by adopting the practice of making annual appropriations to it. This arrangement has been continued to date and has been upheld a number of times by the state Supreme Court.*

Law Prescribes Dues and Benefits

The 1893 police pension law, as amended, does not merely obligate the city to establish and finance a police pension system. It also prescribes the dues and principal benefits. For example, it limits employees' dues to a maximum of $3\frac{1}{2}\%$ of pay; and it sets a pension ceiling at one half of the final rate of pay.

Obviously, if the city had itself established a police pension system, these limitations would have governed its operations. But were these

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* Commonwealth v. Walton (1897); Bausewine v. Philadelphia Police Pension Fund Association (1939).

limitations binding on the city's agent, the Police Pension Fund?

The members of the Police Pension Fund Association evidently did not think so. Thus, late in 1951, just before the Home Rule Charter went into effect, they changed their bylaws to provide that dues shall be 3½% of a member's pay, *plus* $1 per month; and they also provided for "service increment" benefits, which could result in a retirement allowance higher than the maximum permitted by the statute.

Reasoning of the Solicitor's Office

In its ruling, the City Solicitor's office stated that Council had "extended legislative recognition" to these changes in the bylaws, principally by providing in the 1950 and 1951 appropriation ordinances that policemen forced to retire at age 65 "shall receive the benefit of any increment or increase in pensions adopted by the City of Philadelphia Police Pension Fund."

According to the opinion, "It is clear that Council's action was, in effect, an authorization to the Police Pension Fund Association to amend its by-laws to provide for service increments. . . . City Council intended retired police employees to receive payments over and above the pension provided for in the State act."

In other words, although Council could not itself legally provide such increased pensions, it could authorize and legalize their provision by its agent.

It should be noted that this ruling by the Solicitor's office pertains to actions taken prior to the date—January 7, 1952—the Home Rule Charter went into effect. It appears clear that under the new charter, lawful changes in the by-

laws of the Police Pension Fund and the Firemen's Pension Fund may not be made without the *express* consent of Council. This, however, leaves undisturbed the changes voted prior to 1952 by members of the two Funds.

Bureau's Recommendation Recalled

In its recent report, *A Comprehensive Retirement Program for the Employees of the City of Philadelphia,* the Bureau of Municipal Research recommended that "the city government, which is ultimately responsible for the financing of all of the city's pension systems, should have the final say as to the provisions and the administration of the pension systems."

Accordingly, Council, by virtue of its legislative and appropriation powers under the Home Rule Charter, should insist on maintaining its *primary* responsibility for deciding the fate of *all* pension proposals affecting city employees. Moreover, Council should carry out this responsibility by means of specific legislation based on careful study, rather than by the type of doubtful rider previously attached to appropriation ordinances.

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Pennsylvania Economy League
(Eastern Division)

Philadelphia October 1, 1954 No. 2,087S

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THIS ONE IS ABOUT OUR NEW COMBINED OPERATION

EFFECTIVE WITH THIS issue, CITIZENS' BUSINESS becomes the joint publication of the new combined operation of the **Bureau of Municipal Research and the Pennsylvania Economy League (Eastern Division).** The character, format, and publication schedule of CITIZENS' BUSINESS will continue unchanged. However, CITIZENS' BUSINESS has heretofore been devoted almost exclusively to the problems of the city-county of Philadelphia. Henceforth, problems of the entire southeastern five-county area—Bucks, Chester, Delaware, Montgomery, and Philadelphia—will be discussed.

Merger of Activities

Subscribers to the Bureau and to the League have already received formal announcement of the merger of activities which becomes effective today. This merger of activities has been agreed to on a basis whereby both the Bureau and the League retain their respective corporate identities.

Basic reasons prompting this merger of activities are:

- To achieve a coordinated study of the problems of the entire Pennsylvania portion of the Philadelphia metropolitan area, and
- To afford a more effective vehicle for citizen participation in local government affairs.

Joint Operations Organization

Under the plan, the Board of Trustees of the Bureau of Municipal Research and the Eastern Division Committee of the League have each named 10 members to a Joint Operations Committee, consisting of the following:

Gustave G. Amsterdam, Esq.
Henry C. Beerits, Esq.
Alexander Biddle
William W. Bodine
Thomas H. Carroll
Donaldson Cresswell
Jefferson B. Fordham, Esq.
Archibald DeB. Johnson
Stuart F. Louchheim
W. James MacIntosh

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

Robert F. McCammon
John B. McClatchy
James Alan Montgomery, Jr., Esq.
G. Ruhland Rebmann, Jr., Esq.
Frank C. Roberts, Jr.
James H. Robins
Richard Rollins
Dr. Stephen B. Sweeney
Stewart M. Walker
H. J. Ward

Mr. Stewart M. Walker is chairman of the Joint Operations Committee; Mr. Alexander Biddle is chairman of the Joint Finance Committee; Mr. Frank C. Roberts, Jr., is chairman of both the Board of Trustees of the Bureau of Municipal Research and of the Eastern Division Committee of the Pennsylvania Economy League; and Mr. Thomas H. Carroll continues as president of the Bureau.

At the state level of the League, Mr. William W. Bodine is chairman of the Board of Directors; Mr. George W. Rooney is chairman of the State Planning Committee; and Mr. Sherwood Reeder is president.

The Joint Operations Committee has designated Mr. Lennox L. Moak—director of the Bureau of Municipal Research since 1949 and Director of Finance for the City of Philadelphia during 1952–1954—as Director of Joint Operations. Mr. Martin P. Klingel, staff member of the League in Philadelphia for more than 18 years and its assistant director for 7 years, has been designated assistant director of the combined operation. Other members of the staff, research and secretarial, include:

Thomas Amelia
Emma L. Bowman
Ellen Brennan
John N. Carson
Marie A. Cipriano
A. L. Gehman
Mabel K. Gibson
Leigh B. Hebb
Hilda B. Hill
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Edgar Rosenthal
Edwin Rothman
Elsie M. Wacker
Wilbur C. Webb
Lawrence A. Williams
Toni Ann Yancavage

The League's Eastern Division county committees will continue their respective operations and staff as heretofore, with substantially the same relationship to the staff of the Joint Operations Committee as heretofore to the staff of the Eastern Division.

Tops in Achievement

B.M.R. and P.E.L. (E.D.)

Certificate of Distinction
Governmental Research Association
ANNUAL AWARD COMPETITION
"Report on the Philadelphia Municipal Pension Fund"
has been selected as the most noteworthy piece of research prepared by a member of the Association in 1953 and this acknowledgment is awarded the
PHILADELPHIA BUREAU OF MUNICIPAL RESEARCH

Certificate of Distinction
Governmental Research Association
ANNUAL AWARD COMPETITION
"The Refuse Problem In Delaware County"
has been selected as the most noteworthy piece of research prepared by a member of the Association in 1954 and this acknowledgment is awarded the
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Philadelphia October 11, 1954 No. 2,088

CITY COUNCIL REQUESTED TO APPROPRIATE $194 MILLION

COUNCIL STARTS ITS hearings on the 1955 operating budgets today. This CITIZENS' BUSINESS presents some of the highlights of the budget picture.*

1954 Compared With 1955

The 1954 budget ordinance, as adopted last December, authorized the city to spend $187.0 million for 1954 operations (*not* including the "surplus" budget of $6.5 million, mainly for "one-shot" expenditures). Current estimates indicate that 1954 spending will actually total $182.2 million, approximately $4.8 million less than was authorized.

The 1955 operating budgets proposed by the Mayor contain requests of $194.0 million for the nine operating funds, the largest of which is the general fund totaling approximately $167.1 million.

* Amounts shown are *net* and do not reflect interfund transfers; for instance, they do not reflect payments by the water fund to the general fund for services rendered.

Philadelphia's Propos

Showing Purposes of

Appropriation class	*General Fund*
Personal services	
Wages and salaries	$ 98.7
Pensions	6.5
Welfare	.7
Purchase of services	20.8
Materials, supplies & equipment	12.4
Contributions, indemnities & taxes	1.4
Debt service	25.0
Other	1.6
Total	$167.1

* Less than $50,000.

1955's Expected Income

Sources	*(millions)*
Real estate tax	$61.6
Earned income tax	50.0
Mercantile license tax	14.5
Water rents, etc.	11.9
Sewer rents, etc.	8.5
Gas rentals, etc.	7.2
State aid	4.1
Court offices and officers' receipts	4.1
PTC rentals, etc.	3.7
Real estate transfer tax	3.0
Amusement tax	2.8
Personal property tax	2.8
Airports, docks, convention halls	2.4
Other	10.1
Net surplus used	7.3
Total	$194.0

Amounts Sp

Year	*(mi*
1939	$
1940	
1941	
1942	
1943	
1944	
1945	
1946	
1947	
1948	
1949	
1950	
1951	
1952	
1953	
1954 (est.)	
1955 (est.)	

55 Operating Expenses

ed Spending, by Fund

ns)

ater Fnd	Sewer Fund	Other Funds	Total of all funds
4.5	$ .9	$1.5	$105.6
.2	*	0.0	6.7
*	*	0.0	.8
2.0	.5	1.9	25.2
2.8	.3	1.2	16.7
*	*	*	1.4
3.2	6.7	0.0	34.9
.5	.6	*	2.7
3.2	$9.0	$4.7	$194.0

rvice Debt

o of general und receipts

. 55%
. 37
. 34
. 33
. 33
. 31
. 29
. 25
. 21
. 21
. 22
. 22
. 20
. 20
. 18
. 18
. 19

Major Spending Proposed for 1955

	(millions)
Debt service	$34.9
Department of Streets .	27.4
Police Department . . .	24.1
Fire Department	14.8
Water Department . .	12.6
Philadelphia General Hospital	11.0
Recreation agencies (5)	8.9
Department of Public Welfare	7.4
Department of Public Property	6.5
Court offices and agencies (17)	6.2
Fiscal and tax agencies (9)	5.9

Comparison of Operating Expenses, 1954 and 1955

(*in millions*)

Appropriation class	*Authorized for 1954**	*Spent (est.) in 1954**	*Requested for 1955*
Personal services			
Wages and salaries	$102.9	$101.9	$105.6
Pensions	4.7	4.6	6.7
Welfare	.3	.3	.8
Purchase of services	24.1	21.8	25.2
Materials, supplies & equipment	17.2	17.1	16.7
Contributions, indemnities & taxes	1.3	1.3	1.4
Debt service	32.8	32.6	34.9
Other	3.7	2.6	2.7
Total	$187.0	$182.2	$194.0

* Not including "surplus budget" of $6.5 million, mainly for "one-shot" expenditures.

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CITIZENS' BUSINESS

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hiladelphia October 25, 1954 No. 2,089

FIVE LOAN PROPOSALS ON NOVEMBER 2 CITY BALLOT

ON NOVEMBER 2, PHILADELPHIA voters will be asked to vote on five local questions—the loan proposals. These proposals, numbered consecutively on the ballot, may be summarized as follows:

No. 1—to authorize $5,500,000 loan for various tax-supported purposes (parks, police, fire, health, recreation, flood control, etc.).

No. 2—to authorize $26,250,000 loan for self-supporting water and sewer systems.

No. 3—to authorize $10,000,000 loan for self-supporting gas works.

No. 4—to convert $10,880,000 of previously authorized non-electoral debt to electoral debt.

No. 5—to authorize $2,000,000 loan for tax-supported highway purposes.

Last Two Proposals Unusual

Questions 1, 2, and 3 involve ordinary authorizations for financing capital improvements. Questions 4 and 5, however, are somewhat unusual and merit further discussion.

"Non-Electoral" to "Electoral"

Question No. 4 asks the voters to convert to "electoral debt" a $10,880,000 loan previously authorized by Council itself in a 1953 ordinance.

Under the state constitution, the city may incur tax-supported net debt up to 13½% of a 10-year average of assessed valuation of taxable real estate. Council, without approval of the voters, may use no more than 3 of these 13½ percentage points. It may incur additional debt only with the approval of the voters.

Council has nearly exhausted its borrowing power. Approval of Question No. 4 would restore to Council the right to authorize $10,880,000 of debt without referendum. However, Council's use of this restored borrowing power would be subject to charter requirements for systematic review of capital needs by the operating departments, the City Planning Commission, the Mayor, and Council. Moreover, in processing the 6-year capital program and the annual capital budget ordinances, opportunity for public hearing is provided.

Further, state law requires that Council in authorizing *issuance* of *any* new debt must do so by ordinance in addition to and separate from the capital program and capital budget ordinances.

Future Borrowing Capacity

Question No. 5 asks the voters to authorize a $2,000,000 tax-supported loan for street purposes, the authorization to apply partly against the borrowing capacity which will first become available on January 3, 1955.

This loan is submitted as a proposal separate from No. 1 (which also involves a tax-supported loan) because approval of No. 1 would exhaust virtually all of the borrowing capacity *currently* available for authorization. The No. 5 authorization would use up the balance of the current

Limits on Penna. Municipal Debt

Here are the municipal debt limits prescribed by the Pennsylvania constitution:

Philadelphia city-county—net debt for ***tax-supported*** projects may not exceed ***13½%*** of the ***average*** of the previous ***10 years'*** assessment of taxable real estate; no legal limit is placed on debt for ***self-supporting*** projects.

All other municipalities—net debt for tax-supported ***and*** self-supporting* projects may not exceed ***7%***† of ***current year's*** assessed valuation of taxable property. However, counties and certain other municipalities may incur an ***additional 3%*** for waterworks and certain transit projects.

It should be noted that the debt limit does not restrict financing via "authorities."

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* Except that in the case of counties and certain municipalities, debt for waterworks and certain transit projects which have been self-supporting for *five* years is not chargeable against the debt limit.

† Except for the School District of Philadelphia, which is limited by statute to 2%.

borrowing capacity and about $1,000,000 of future capacity, available January 3, 1955.

The city is asking the electorate for *separate* approval of this loan proposal so that the whole procedure of securing voter approval of loans in anticipation of future borrowing capacity may be tested in the courts.

If Proposals Are Voted Down

The question may well be asked, what would happen if the electorate rejected the proposals?

The 1955 capital budget proposed by the Mayor totals $73.2 million. If the loans are turned down, Council would be able to finance projects totaling only about $24.2 million—$2.5 million from capital "down payments" made from current operating funds; $8.7 million from loans already

authorized; and $13.0 million from loans which Council itself could authorize.

Approval of the $54.6 million in the five loan proposals would *enable* the city to finance $73.2 million of capital projects. However, such approval would not *oblige* Council to adopt a 1955 capital budget in that magnitude. Portions of the approved loan authorizations may be, and in the view of some ought to be, husbanded for use in future capital budgets.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION required by the Act of Congress of August 24, 1912, as amended by the acts of March 3, 1933, and July 2, 1946 (Title 39, United States Code, Section 233) of CITIZENS' BUSINESS, published semi-monthly from September through June at Philadelphia, Pa., for October 1, 1954.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division), 311 S. Juniper St., Phila. 7, Pa.; Editor, Edwin Rothman, 311 S. Juniper St., Phila. 7, Pa.; Managing Editor, none; Business Manager, none.

2. The owner is: Bureau of Municipal Research, 311 S. Juniper St., Phila. 7, Pa. No capital stock.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

EDWIN ROTHMAN, Editor

Sworn to and subscribed before me this 29th day of September, 1954. Margaret Dugan

[SEAL] (My Commission expires January 7, 1955)

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Philadelphia November 2, 1954 No. 2,089S

PROGRESS REPORT ON AREA-WIDE REFUSE DISPOSAL PROBLEM

THE GREATER PHILADELPHIA area has been plagued with an ever increasing problem of refuse disposal. Growing public dissatisfaction with the discomforts and dangers arising from refuse disposal by means of the open dump; the fact that our congested urban centers are "running out" of convenient dumping areas; the state legislation requiring more sanitary hog feeding, including the cooking of garbage feed—these present serious refuse problems. (The term "refuse" refers to solid wastes, including garbage, combustible rubbish, non-combustible rubbish, and ashes.)

Philadelphia's Progress

The city of Philadelphia is meeting this problem head on by engaging in a huge incinerator construction program which will, in the near future, provide daily incinerating capacity for about 2,000 tons of combustible rubbish and garbage.

This is a logical program for densely populated Philadelphia, which has been filling up its low-lying areas for over 200 years, resulting in a potential shortage of sites for landfill. Since incineration reduces the volume of combustible refuse by about four fifths, this expanded program will help the city to cope with its problem for many years.

Suburban Area Problem

Philadelphia's neighbors—Bucks, Chester, Delaware, and Montgomery Counties, hereinafter referred to as the "suburban area"—have not been able, to date, logically and simply to meet their corresponding problem.

The inability of the approximately 250 independent political subdivisions in the suburban area to keep ahead of new demands and abreast of new concepts of refuse disposal is a result of several factors, including the following:

1. Difficulty of having a common problem efficiently solved when approximately 250 independent supervisors (political subdivisions) are involved.

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

2. Physical limitations of many of the independent boroughs and townships. Some boroughs are extremely small; many boroughs and townships are completely built up.
3. Very rapid, in some cases almost explosive, population increases that have taken place over the last few years.
4. Difficulty of overcoming the inertia encountered as new concepts of minimum standards of sanitation are established by public health authorities. Too often, communities are content to use open dumps even though this method of disposal has been outlawed since November 27, 1945, by Pennsylvania Department of Health regulations.

The P.E.L. and Refuse Disposal

The Eastern Division of the Pennsylvania Economy League has recognized these facts and attempted, wherever possible, to assist local communities. The League has not considered it sound policy for a small community with adequate low-lying vacant ground and limited financial means to take on the burden of an expensive program of incineration.

On the other hand, it is false over-all economy to continue to operate open dumps when the areas around these dumps become urban or even semi-urban. Rats and other vermin, smoke, odor, and the danger of bad fires are not good companions for a progressive community.

In attempting to help the suburban communities, the League has made a number of studies of refuse disposal, including the Governmental Research Association award winning report, *The Refuse Problem in Delaware County*. Similarly, formal reports have been made for Lower Bucks County and the Coatesville area, and assistance has been consistently given to many other communities.

Activities of the League

The League's activities have included investigation of:

1. Actual collection and disposal methods, including equipment, locations of containers, locations of disposal activities, types of disposal operations, and collection routes.
2. Costs of refuse collection and disposal.
3. Laws and regulations governing the handling of refuse.
4. Areas used for operation of individual activities, such as a collection activity or a dumping operation.
5. Methods of financing refuse operations.
6. Agency conducting the individual refuse activity.
7. Public relations.

General Findings

As a result of these investigations, certain general findings were made:

1. Many of the municipalities lack properly enforced, or realistic, regulations concerning refuse handling.
2. Much of the collection is done with unsanitary open vehicles.
3. Most of the refuse is stored for collection in an unsightly and unsanitary condition. Some is piled loose on the curbing, while the balance is in a wide variety of containers, some without covers, some too large for safe handling, and some too small for efficient handling.
4. Many of the roadsides in rural portions of the suburban communities are overrun with litter.
5. All collection operations are separately conducted in areas or portions of areas bounded by political subdivision lines, no matter how small the municipality and how impractical the size of the operation.

6. A majority of the collection is performed by private contractors; in many cases by private agreement between the collection contractor and the householder.
7. On the basis of the gathered data, the cost of collection by private householder contract averaged almost twice as much as that which is done by municipal contract.
8. Outside of the use of two incinerator plants, all refuse disposal, other than by private action, is accomplished by depositing in open dumps or feeding to hogs. Almost all is performed in an unsightly and unsanitary manner.
9. **There is enough submarginal land throughout the suburban area to accommodate low cost landfill disposal of almost all the refuse, provided the operation is undertaken on a functional area basis, disregarding, whenever necessary, subdivision boundaries.**

Recommendations of the League

Whether by formal report, by short memos, or by consultation, recommendations on refuse disposal were presented by the League to all of Lower Bucks County, to all of Delaware County, to approximately a dozen municipalities around and including Coatesville in Chester County, and to a number of individual communities throughout the entire suburban area. Moreover, a report on refuse practices is now being prepared for Montgomery County.

The recommendations generally included the following:

1. Incineration, primarily because of the cost involved, is not a practical immediate remedy for refuse disposal problems.
2. All open dumps should be closed as soon as possible.

Sanitary Landfill Method Meets Health Dep't Rule

The "sanitary landfill" method of refuse disposal—by burying, compressing, and covering the refuse daily—meets the requirements of the following state regulation:

No garbage, offal, pomace, dead animals, decaying matter or organic waste substance of any kind shall be thrown or deposited in any ravine, ditch, or gutter, on any street or highway; into any waters of the State, or be permitted to remain exposed upon the surface of the ground. . . . (Art. III, Sec. 1, *Rules and Regulations of Pennsylvania Department of Health*, approved November 27, 1945.)

3. Individual communities should band together to form service areas of operation of adequate size to operate at minimum cost. Size criteria were provided.
4. Uniform and practical regulations should be adopted and enforced throughout the area to control littering, storage, collection, and disposal of all types of refuse.
5. Municipal contracts (or collection by municipal forces if a reasonable bid cannot be obtained) should replace individual householder contracts in all areas having three or more families per acre.
6. Collection of refuse should be accomplished only with closed vehicles and under regulations and licensing which would guarantee a sanitary nuisance-free operation.
7. Refuse disposal should be effected by sanitary landfill, except where favorable hog feeding contracts could be made by hog farmers operating in a sanitary manner in full compliance with Pennsylvania Department of Health regulations.

Accomplishments To Date

Actual accomplishments include a number of positive forward steps:

1. Sanitary landfill projects are now in operation in Falls Township and Middletown Township, Bucks County.
2. Several communities have improved the operations of their open dumps to the extent that they can be considered modified or semi-sanitary landfills.
3. An officially constituted committee consisting of elected representatives from 18 municipalities in Lower Bucks County has been formed to study refuse problems in that area and to recommend a solution. This committee has been at work over the past several months and is about to present definite proposals to the participating communities.

   An exciting possibility of this organization is the setting of a pattern for coping with the various area-wide service problems.
4. The Delaware County Planning Commission has approved the recommendations set forth in the report to them. These recommendations include the operation of refuse disposal on a county-wide basis. Although this is not permitted under present state regulations, efforts will be made to have the 1955 State Legislature amend the county law to allow this activity.
5. The commissioners of a township which had approved a bond issue for almost $2 million for building an incinerator plant are now, with the help of citizen guidance, planning to build a plant costing but little more than one-half of this amount.
6. Coatesville is actively promoting a program which would eliminate its open dump in favor of a sanitary landfill operation. It also has invited neighboring communities to participate with it. If the neighbors do participate, the cost per individual will be reduced by one third.

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COUNTY AID NOW AVAILABLE FOR SUBURBAN PLANNING

SUBURBAN DEVELOPMENT IS spreading rapidly into many of the small municipalities around Philadelphia. Fortunately, assistance for municipal planning to guide this growth is available from county and other sources.* Such planning can help ease the growing pains caused by land subdivisions springing up by the hundreds, accompanied by new industries and commercial centers of varying size.

Benefits of Planning

In many cases, the new developments are scattered more or less indiscriminately without relation to a rational plan for community expansion. Properly located and laid out, new subdivisions can form parts of livable communities which can be efficiently provided with municipal services, including streets, water, sewer, storm drainage, schools, parks, and police and fire protection.

* A subsequent issue of CITIZENS' BUSINESS will deal with federal aid available for suburban planning.

On the other hand, without benefit of over-all planning, these developments often produce mistakes which are exceedingly difficult, if not impossible, to rectify, and which threaten unnecessarily high taxes in future years.

Municipal Planning and Zoning

Most of the 237 political units in Bucks, Chester, Delaware, and Montgomery Counties are "small municipalities," all but six having less than 25,000 population in 1950. About 50 of these small municipalities—mostly formerly rural or semi-rural townships—are now feeling or will soon feel the full impact of rapid development.

To guide their growth, upwards of 120 of the municipalities have zoning ordinances, or are in the process of adopting them. Thirty-five have municipal planning commissions; several more are considering their establishment.

Furthermore, all of the municipalities have power to adopt land subdivision regulations to control the layout of streets and lots, and to insure the installation of streets and other improvements in accordance with adequate standards.

County Assistance to Municipalities

Each of the four counties has a county planning commission, which also has jurisdiction with respect to land subdivisions. In the case of cities and boroughs, subdivision review by the county planning commission is *advisory* only. In the case of townships, however, approval of the county planning commission is *required* before a subdivision plan may be recorded.

Thus, if a township has adopted subdivision regulations, subdivision projects must receive both township and county approval. Subdivision regulation by the county is of particular importance for the townships which have not yet exercised their subdivision powers effectively.

Suburban Growth Continues

The rapid development of Southeastern Pennsylvania is reflected by the **number of lots*** in the subdivisions approved by county planning commissions, as follows:

County	*1952*	*1953*	*1954 (6 mos.)*
Bucks	5,515	8,924	4,000
Chester	638	714	495
Delaware	3,433	3,889	3,068
Montgomery	4,220	4,248	1,899
Total	13,806	17,775	9,462

* Source: As reported by county planning commissions to the Southeastern Pennsylvania Regional Planning Commission.

In addition to subdivision review, the planning commissions in three of the counties—Bucks, Delaware, and Montgomery—are actively aiding municipalities in their local planning. Many requests are answered for information and advice, including spot studies on zoning revisions, school locations, highway design, and the like.

General Planning Studies

An increasing number of municipalities are requesting the technical service of the county staffs in preparing general planning studies.

- In Montgomery County, planning reports have been completed for 11 townships and one borough, with studies under way in five more townships. This service is provided free to each municipality, except for publication costs.
- The Delaware County Planning Commission is working on planning studies for two contiguous townships. The county absorbs half of the cost of the work, the townships provide the other half.

• In Bucks County, with the aid of a grant from the State Planning Board, the last sections of an over-all plan for rapidly expanding lower Bucks County have just been completed. Further state aid has been made available for county assistance to municipalities for local planning studies related to the over-all lower Bucks plan, and leading to effectuation of planning recommendations.

County Help Important

County assistance to municipal planning can be particularly effective because the county staffs already have on hand much of the necessary mapping, factual, and technical information. As a result of their own studies and those of the Southeastern Pennsylvania Regional Planning Commission, they have become familiar with the broader county and regional aspects of the specific problems facing the municipalities.

Furthermore, after completion of a municipal planning report, the county staffs are available for continuing consultation on steps to make the plan effective through zoning, street improvement projects, water and sewer installations, school, park and public building programs.

Thus, as communities grow, the planning studies, as revised from time to time, can give continuing guidance to physical development.

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PLANNING COMMISSION PROPOSES $366 MILLION CAPITAL PROGRAM

PHILADELPHIA'S city Council, in addition to considering the 1955 operating budget ordinance, is now considering the third capital program and capital budget prepared under the provisions of the Home Rule Charter.*

The charter requires the City Planning Commission to submit to Council each year (1) a proposed capital *program* comprising all capital improvements scheduled for the following six years, and (2) a proposed capital *budget* comprising the city's share of the cost of the improvements scheduled for the first year of the program.

Six-Year Program—$365.6 Million

The Commission's proposed program calls for $365.6 million for the six-year period 1955–1960. Of this total, more than one quarter ($93.8 million) is scheduled for 1955. (See table inside.)

* For further discussion of capital budgetary planning, see CITIZENS' BUSINESS Nos. 2,043 and 2,075.

The city's share of the six-year cost is $270.9 million. The rest is to be provided from state ($51.8 million), federal ($22.9 million), special assessment ($15.8 million) and railroad ($4.2 million) sources.

It has been estimated that if this proposed 1955–1960 program is adopted, debt service—the charge upon the operating budgets for interest and principal payments—will rise from $32.6 million in 1954 to $47.0 million in 1959, with peak debt service—$51.7 million—not being reached until 1963.

Ceiling on Capital Program

In preparing this capital program, the Planning Commission decided to place an over-all ceiling on the city's share of the cost. This ceiling, according to the Director of Finance, reflects the city's capacity to pay both future debt service charges and future operating expenses required by the *tax-supported* capital improvements. (No ceiling has been placed on loans for *self-supporting* projects—gas, sewer, water, and some transit—in the capital program.)

Accordingly, the Commission has decided to restrict new tax-supported loan authorizations to a maximum of $26.5 million for 1955 and $20 million for each of the other five years in the program. The proposed 1955–1960 program has been kept within these limits, scheduling improvements requiring $25.8 million in new tax-supported loans in 1955, $18.7 million in 1956, $15.8 million in 1957, $19.7 million in 1958, $19.3 million in 1959, and $19.3 million in 1960.

However, it should be noted that the total to be expended by the city for capital improvements in the five years 1955–1959, as set forth in the proposed 1955–1960 capital program, is $4.2 million more than was scheduled for the same five

Proposed Capital Program and Budget Itemized

Purposes	Capital program		Capital Budget 1955*
	Scheduled 1955–1960	Scheduled 1955	
Streets, highways, and bridges	$123,567,300	$33,642,200	$17,287,200
Sewers, flood relief, and drainage	80,992,700	16,923,200	15,626,000
Waterworks	51,537,600	15,465,600	14,832,367
Gas works	28,000,000	10,000,000	10,000,000
Redevelopment	26,703,561	2,904,665	535,174
Recreation and parks	13,705,000	3,340,000	3,340,000
Airports	9,115,000	1,393,000	1,393,000
Hospitals	6,500,000	385,000	385,000
Police and fire	5,164,475	802,225	802,225
Prisons and welfare	4,487,000	502,000	502,000
Rehabilitation of City Hall & Annex	3,220,000	1,000,000	1,000,000
Warehouse	2,475,000	0	0
Port	2,450,500	2,275,500	2,275,500
Health	2,144,350	562,000	562,000
Transit	2,000,000	2,000,000	2,000,000
Auto maintenance and repair facilities	1,176,000	930,000	930,000
Commercial Museum	800,000	730,000	730,000
Libraries	589,200	230,000	230,000
Planning	167,000	100,000	100,000
Convention Hall	115,000	15,000	15,000
Miscellaneous	670,500	620,500	620,500
Total	$365,580,186	$93,820,890	$73,165,966

* Amounts shown in this column consist of the *city's* share of the total amounts scheduled to be met from *all* sources.

years in the 1954–1959 program adopted last year ($335.2 million as compared with $339.2 million).

1955 Capital Budget

It is also interesting to compare the prospective 1955 capital budget as it appeared last year in the 1954–1959 capital program, and as it now appears in the proposed 1955–1960 program.

Projects	*"1955" in 1954–1959 program*	*"1955" in 1955–1960 program*	*Difference*
Tax-supported	$31,218,465	$33,280,599	+6.6%
Self-supporting	40,331,800	39,885,367	—1.1
Total	$71,550,265	$73,165,966	+2.3%

Thus, the proposed 1955 budget of $73.2 million is an increase of only 2.3% ($1.6 million) over the $71.6 million previously programmed for 1955. This slight increase contrasts sharply with the situation last year when the 1954 capital budget was nearly 54% ($24.9 million) higher than had been previously programmed for that year (in the 1953–1958 capital program).

Past 10 Years—$298 Million

For the 10 years 1945 through 1954, Philadelphia will have spent about $298 million on public improvements (exclusive of the gas works). Moreover, the city will have about $47 million additionally under contract by the end of 1954.

In order to finance these improvements, the city has issued $294 million in funding bonds, exclusive of those for the gas works. The debt service (that is, principal and interest payments) on these bonds will total about $431 million.

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CITY'S EMPLOYEES ELIGIBLE FOR SERVICE-INCURRED BENEFITS

WHILE citizens are generally aware that Philadelphia provides pension benefits for city employees injured in the line of duty, or for their survivors in case of in-line-of-duty death, they are probably not aware that the city also pays benefits provided by the state workmen's compensation law and by the city's ordinances and civil service regulations.

Workmen's Compensation

Workmen's compensation was adopted in Pennsylvania in 1915* to provide benefits for injuries and deaths incurred in the course of employment, regardless of fault. From the beginning, the benefits of the act have been mandatory for all municipal employees.

The workmen's compensation act, as amended, provides a scale of benefits, varying with the disability and/or the worker's salary. Since virtually all city employees earn more than $49 per week—

* Act of June 2, 1915 (P.L. 736); Title 77, Purdon's Statutes.

FEB 7 1955

the maximum wage for benefit computation—nearly all would be entitled to the maximum benefits. Typical maximums include:

Permanent total disability—$32.50 per week up to 700 weeks (13.5 years), but not exceeding a total of $20,000.

Permanent partial disability—$23.00 per week, for a period of 350 weeks (6.7 years).

Specific disabilities—Benefits are payable for specific permanent injuries, such as a maximum payment of $32.50 per week for 175 weeks for loss of a hand, 215 weeks for the loss of a leg, 60 weeks for the loss of a thumb, and so on.

Death benefits—Weekly allowances are payable, varying with the number of survivors; for example, a widow will receive $20.50 weekly for 350 weeks; and a widow with three children under age 18 will receive $32.50 for 350 weeks. Allowances are payable for children until they attain age 18.

Additional Service-Incurred Benefits

Since the provisions of the Workmen's Compensation Act are intended to provide only a minimum measure of relief, many employers, including the city of Philadelphia, have provided additional benefits.

The first major step taken in this respect was a 1935 state act (P.L. 477) which required additional city service-incurred benefits for all *uniformed* personnel. Similar benefits were given to *non-uniformed* personnel by a city ordinance of February 21, 1951. This ordinance, as interpreted by the City Solicitor in an April 1951 opinion, provides for up to one year of continued full salary* to non-uniformed employees with service-connected total disabilities.

* Inclusive of workmen's compensation benefits.

New Address for CITIZENS' BUSINESS

The combined Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division) has moved to new quarters:

7th Floor, Towne Building
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Philadelphia 7, Penna.
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All correspondence for the BMR-PEL, including CITIZENS' BUSINESS, should be addressed to the new location.

Civil Service Regulation No. 32, effective April 5, 1954, provides that any uniformed fire, police, or park guard employee permanently or temporarily *totally* disabled shall receive full pay* for not longer than three years.

Permanently partially disabled uniformed employees may, at their option, be placed in secondary jobs for which they are suited and receive the difference* between their former pay and the pay of their secondary position.

Civil Service Regulation No. 34, which is now awaiting final approval by the city's Administrative Board, would provide up to 2 years' pay to non-uniformed employees for service-incurred disabilities. However, unlike Regulation 32 for uniformed personnel, no specific provision is made for reemployment in a secondary position for those permanently partially disabled.

Pension Systems' Benefits

After the benefits *other* than workmen's compensation are exhausted, service-incurred disability and death benefits are provided by the

* Inclusive of workmen's compensation benefits.

A Merry Christmas

To All Our Readers

city's pension systems. For example, for employees with not more than 20 years' service,* earning $350 monthly base pay,† the benefits are as follows (*exclusive* of workmen's compensation).

Service-incurred *permanent total disability* benefits: policemen—$175 monthly; firemen—$125‡ monthly; all others—$175 monthly, *provided* the employee had served at least 15 years at the time of injury.

Service-incurred *death* benefits: policemen and firemen—$175 monthly to widow, or dependent children, or dependent parents; all other employees —$87.50 monthly to surviving spouse, age 55, *provided* the deceased had served at least 20 years and had attained age 60.

* For service in excess of 20 years, additional benefits are usually payable.

† "Base pay" means monthly average of highest five years' earnings, *except* in the case of policemen's and firemen's service-incurred disability benefits, when base pay means last rate of pay.

‡ Becomes $233.33 after workmen's compensation is exhausted.

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ITIZENS' BUSINESS

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FEDERAL AID NOW AVAILABLE FOR SUBURBAN PLANNING

SOUND DEVELOPMENT of rapidly growing municipalities around Philadelphia, as well as of Philadelphia itself, requires the guidance of coordinated municipal, county, and regional plans. To encourage planning at two of its weakest points—the regional and small municipality levels—federal* assistance is now available in limited amounts to eligible planning agencies.

Benefits of Regional Planning

Many areas in the Greater Philadelphia region are being vitally affected by rapid suburban residential development, industrial expansion, shopping centers, and expressways and other transportation improvements.

Long range plans for regional facilities provide the framework necessary for realistic county and municipal planning. They form an important basis for obtaining the most prudent investment of the

* CITIZENS' BUSINESS No. 2,090 (November 8, 1954) outlined the *county aid* now available for municipal planning.

billions of dollars of public and private funds that will be made in the region in the next several years.

Regional Planning Activities

No official regional planning agency for the Greater Philadelphia-South Jersey-Northern Delaware area has yet been established. However, a number of agencies are engaged in regional planning studies:

- *The Southeastern Pennsylvania Regional Planning Commission*—supported by Bucks, Delaware, and Montgomery counties—is carrying on research and planning pertaining to the five-county area, including Chester and Philadelphia counties.

- In New Jersey, the *State Planning Section of the Department of Conservation and Economic Development* has made a regional analysis of the Trenton-Camden area. In addition, an engineering firm employed by the *Delaware River Port Authority* is making over-all planning studies for South Jersey as a basis for rapid transit recommendations.

- In Philadelphia, the *Urban Traffic and Transportation Board* has begun certain regional studies needed as the groundwork for recommendations for highway and transit policies and programs for Philadelphia and its environs. The *Philadelphia City Planning Commission* is sponsoring an industrial study of regional significance on which to base an industrial land policy for the city.

All this work is being coordinated at the staff level so that it will have maximum usefulness to all the agencies involved.

Federal Aid for Regional Planning

Owing to a general need for more effective regional planning, Congress has authorized federal grants to official regional or state planning agencies to finance half of the cost of eligible regional studies and plans.*

* Housing Act of 1954, Section 701.

The Southeastern Pennsylvania Regional Planning Commission

- Created in 1952 by joint action of the Boards of Commissioners of Bucks, Delaware, and Montgomery counties under the state Act of June 25, 1937, P.L. 2124 (16 P.S. 507.2, 507.3, 507.4).
- Consists of nine members, three appointed by each county, usually from the membership of their county planning commissions.
- Funds come from appropriations of the three supporting counties, supplemented by state grants for special projects.
- Has a Technical Committee composed of its Executive Secretary and the Planning Directors of the three supporting counties, with the Planning Directors of Philadelphia and Chester county as non-voting members.

The Southeastern Pennsylvania Regional Planning Commission and its constituent county planning commissions are preparing to take advantage of such aid, to develop coordinated regional and county plans for land use, highways, water supply, major parks, and the like.

Federal Assistance for Municipal Planning

Federal planning assistance, on a 50–50 matching basis, is also indirectly available for cities, boroughs, and townships being affected by urban development, provided that they had *less* than 25,000 population in 1950. All but six of the 237 municipalities in Bucks, Chester, Delaware, and Montgomery counties can qualify on the basis of population.

From a review of preliminary federal regulations, it appears that about $95,000 will be available for municipalities in Pennsylvania.

Federal grants are not made directly to the municipalities. Instead, the municipality applies to the State Planning Board for technical assistance. This request from the municipality forms the basis for a state application to the Housing and Home Finance Agency for federal aid. If the federal aid is granted, the State Planning Board will make arrangements to provide technical assistance to the municipality by a county planning staff or by other means.

Help by County Agencies. In Bucks, Delaware, and Montgomery counties, the county planning commissions are aiding municipalities in developing local planning programs and budgets as a basis for the requests. Proposed programs may include not only plans for land use, major streets, utilities, and public facilities, but also preparation or revision of zoning and land subdivision ordinances to aid in effectuating plans.

A Happy New Year
To All Our Readers

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A BRIEF REVIEW OF 11-COUNTY GREATER PHILADELPHIA REGION

INTER-GOVERNMENTAL cooperation in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties will be a major study project to be undertaken this year by the combined Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division).

As general background for the subject, this CITIZENS' BUSINESS summarizes the population data for the 11-county Greater Philadelphia region, and financial and other relevant data for southeastern Pennsylvania's five counties.

Regional Population

In the 11-county Greater Philadelphia region, comprising the three "standard metropolitan areas" of Philadelphia, Trenton, and Wilmington, as defined by the U. S. Census Bureau, 50% of the region's 1950 population was in Philadelphia, 25% in the four suburban counties in Pennsylvania, and the remaining 25% in New Castle

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Population of Greater Philadelphia Region

"Standard metropolitan area" and county	1950 census		Increase 1950-54*	
	Number	% of total	Number	% of total
Philadelphia SMA				
Bucks, Pa.	144,620	3.5%	52,000	13.7%
Chester, Pa.	159,141	3.8	13,000	3.4
Delaware, Pa.	414,234	9.9	62,000	16.4
Montgomery, Pa.	353,068	8.4	54,000	14.3
Philadelphia, Pa.	2,071,605	49.7	68,000	17.9
Total (S.E. Pa.)	*3,142,668*	*75.3*	*249,000*	*65.7*
Burlington, N. J.	135,910	3.2	36,000	9.5
Camden, N. J.	300,743	7.3	34,000	9.0
Gloucester, N. J.	91,727	2.2	13,000	3.4
Total (8 counties)	*3,671,048*	*88.0*	*332,000*	*87.6*
Trenton SMA**	229,781	5.5	27,000	7.1
Wilmington SMA***	268,387	6.5	20,000	5.3
TOTAL (11 COUNTIES)	4,169,216	100.0	379,000	100.0

* To Jan. 1, 1954 (estimate). Source: Chamber of Commerce of Greater Philadelphia.
** Mercer County (N. J.).
*** New Castle County (Delaware) and Salem County (N. J.).

county (Delaware) and the five New Jersey counties. Thus, 75% of the region's population is within the study area. (See table above.)

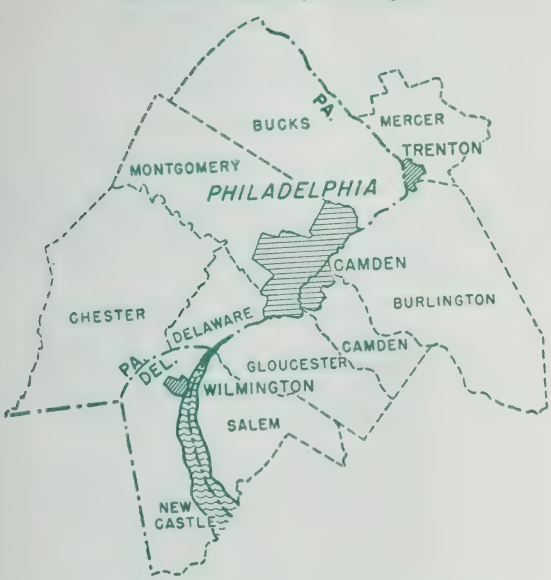
With the advent of the automobile age following World War I, the region's growth has been mostly outside of the larger cities. During the period 1950–1954, the four suburban counties in Pennsylvania have accounted for 48% of the region's population increase; Philadelphia for only 18%.

Projecting the 1950–1954 population gain, Bucks, Chester, Delaware, and Montgomery counties could increase from 1,250,000 to over 2,000,000 within a generation, perhaps overtaking Philadelphia.

Financial Resources

Median family incomes in 1949, as reported by the U. S. Census Bureau, were highest in Dela-

Greater Philadelphia Region



ware and Montgomery counties—$4,139 and $3,924, respectively. Comparable figures were $3,458 for Bucks county, $3,332 for Philadelphia, and $3,283 for Chester county.

In 1950, *home ownership* in southeastern Pennsylvania was highest in Bucks, Delaware, and Montgomery counties—about 70% of all occupied dwelling units. In Chester county, 61%, and in Philadelphia, 56%, of the homes were owner occupied.

With the Pennsylvania suburban counties outbuilding Philadelphia at a ratio of 2 to 1, home ownership and family incomes in the suburbs will undoubtedly increase more rapidly than in Philadelphia.

The 1953 market valuation of *taxable real property*, as reported by the Pennsylvania State Tax

Equalization Board, averaged $329 per capita for the four suburban counties combined, and $272 for Philadelphia.

Governmental Units

The suburban counties around Philadelphia have a multiplicity of governmental units, most of them serving relatively small populations.

The five southeastern Pennsylvania counties have three cities—Philadelphia, Chester, and Coatesville—88 boroughs, 23 first class townships, and 124 second class townships, making a total of 238 municipalities. Seventy-four per cent of the boroughs, 22% of the first class townships, and 95% of the second class townships had *less* than 5,000 population in 1950.

Furthermore, there are 243 local school districts, 44 joint school districts, and 58 school building authorities. In addition, there are 11 sewer authorities, 10 water authorities, and 23 multi-purpose and miscellaneous authorities for housing, redevelopment, parking, port, and other functions.* Together with the county governments, the number of local units of government of all types reaches a total of 632.

* Including all municipal authorities reporting to the Penna. Dept. of Internal Affairs, as of September 1, 1954, plus four housing authorities and the Delaware River Port Authority.

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SUPREME COURT DECISION DELAYS COMPLETING CITY-COUNTY UNITY

THE STATE Supreme Court's decision on January 12 striking down city Council's abolition of the Philadelphia Board of Revision of Taxes need not be necessarily regarded as a defeat for fundamental "home rule" in Philadelphia. However, it does delay the full "completion" of city-county consolidation.*

Voided Tax Board Elimination

In construing the power of the city under the Home Rule Act and under the city-county consolidation amendment to the state constitution, the Court, in a four-to-three decision, has held, in effect, that the Board of Revision must continue as presently organized until the state Legislature either itself eliminates the office or explicitly permits city Council to do so.

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* This CITIZENS' BUSINESS continues the city-county consolidation story which was last summarized in CITIZENS' BUSINESS 2,072S, "Taking Stock of Consolidation."

Thus, it has been decided that the *Home Rule Act* was intended by the state Legislature to use constitutional home rule power to give Philadelphia true self-government; and that the *constitutional amendment* was intended to transform Philadelphia's "county" offices into "city" offices and to give the state Legislature power either to reorganize the former county offices or to allow the city to do so.*

Chronology of Events

The Home Rule Act was adopted by the 1949 Legislature; the constitutional amendment took longer to become law, because it had to be approved by the two successive legislatures of 1949 and 1951, and then by the voters in a statewide election November 6, 1951. Meanwhile, the Home Rule Charter was drafted by the charter commission, and adopted on April 17, 1951, by the Philadelphia electorate.

In order to make the most of the consolidation amendment which had not yet passed through the 1951 Legislature, the drafters of the charter, acting under the extremely broad language of the Home Rule Act, placed a special section in the new charter. This Section 1-201(2) gave to city Council the fullest power consistent with the Home Rule Act and the consolidation amendment, to complete city-county consolidation by reorganizing the former county offices.

Some lawyers believed that this section could become operative only if the state Legislature enacted *enabling legislation* after the city-county consolidation amendment was adopted; others believed that the section could become operative immediately after the amendment was adopted.

* It has taken nearly five years and three hard-fought court cases to establish this intent.

1953 State Law

Because of this diversity of opinion, city Council's 1952 Advisory Consolidation Commission suggested, out of caution, that the state Legislature enact a statute enabling Council to act. As finally enacted in 1953, after considerable amendment, the state statute empowered Council to act on five former county offices, but, among other things, provided in *Section 5* that the City Commissioners, Board of Revision, Registration Commission, and Sheriff were to continue in every respect as they were *prior* to the adoption of the consolidation amendment.

Council in 1953 then reorganized in some manner four of the five offices with which it was empowered to deal. Sometime later, the Supreme Court declared *Section 5* unconstitutional, because it violated the constitutional prohibition against special laws which change city charters and grant any individual any special or exclusive privilege or immunity. This voided all of the Legislature's intent with respect to the Board of Revision and the three other agencies named in Section 5.

City Council Acts on Its Own

Council then decided to see whether it did in fact have independent power, derived from the charter and the Home Rule Act, to eliminate the Board of Revision of Taxes.

In an ordinance of August 16, 1954, the Board was abolished. Its assessment functions were transferred to a new office, that of Chief Assessor, appointed by the Director of Finance with the approval of the Mayor and a majority of Council; its appellate functions were transferred to the Tax Review Board; and its Board of View functions were transferred to the Tax Review Board

or such other persons as the Court of Quarter Sessions may appoint.

Court's Reasoning

The ordinance was struck down by the Supreme Court on January 12. The court centered its reasoning on Section 7 of the consolidation amendment, which provides that "all [former] county officers shall continue [as city officers] to perform their duties and be elected [or] appointed, compensated and organized, as may be provided by . . . existing laws *until the General Assembly shall otherwise provide.*" (Brackets and emphasis supplied by Court.)

In the court's view, the term "General Assembly" has only one meaning to the statewide electorate—the state Legislature. It could not connote the "citizens of Philadelphia" or the "City Council of Philadelphia." Conceding only for the sake of argument that the Home Rule Act and the charter taken together might have enabled Council to act, the court stated that the plain language of the amendment would certainly supersede city Council's right to act independently. Accordingly, since the Legislature has not acted to vest the power in the city, the ordinance is unconstitutional.

Thus, it is clear that if the city is to have the power to complete city-county consolidation, it will have to get that power from the Legislature.

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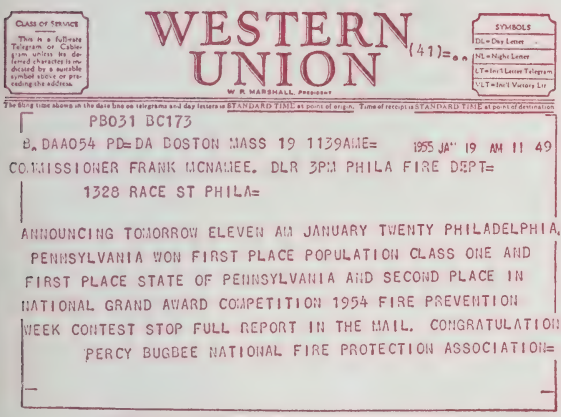
Philadelphia February 14, 1955 No. 2,096

PHILADELPHIA WINS AGAIN IN FIRE PREVENTION CONTEST



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WESTERN UNION (41)=

W. R. MARSHALL, President

SYMBOLS
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ANNOUNCING TOMORROW ELEVEN AM JANUARY TWENTY PHILADELPHIA, PENNSYLVANIA WON FIRST PLACE POPULATION CLASS ONE AND FIRST PLACE STATE OF PENNSYLVANIA AND SECOND PLACE IN NATIONAL GRAND AWARD COMPETITION 1954 FIRE PREVENTION WEEK CONTEST STOP FULL REPORT IN THE MAIL. CONGRATULATIONS=
PERCY BUGBEE NATIONAL FIRE PROTECTION ASSOCIATION=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

THE above telegram signalizes a notable achievement for Philadelphia. Moreover, it is most gratifying to the Bureau of Municipal Research and Pennsylvania Economy League because one of its staff members has been closely identified with

the everyday work of the Philadelphia Fire Department and has been serving as Executive Secretary of the Citizens' Council on Fire Prevention since its organization early in 1952.

Revealing Series of Events

However, to understand fully the real significance of the telegram, it is necessary to review a revealing series of events which began seven years ago.

In 1948, the Pennsylvania Economy League was asked by the "Committee of 15" to survey the Fire Department. The National Board of Fire Underwriters was consulted and sent one of its leading engineers to lay plans for the collection of factual data on the Fire Department. These data were summarized in the Report of the Committee of 15, dated March 1, 1948, as follows:

> In the Bureau of Fire . . . 53.5% of the pumpers were purchased prior to 1928 and have reached the point where their service is unreliable and the cost of repairs has become excessive. Sixty-five per cent of the hose wagons were purchased prior to 1928 and are obsolete and unreliable. Sixty-nine per cent of the ladder trucks were purchased prior to 1928 and they are generally obsolete, spending from one to four months of the year in the shop for various repairs other than accidents. . . .

1949 Underwriters' Report

In May 1949, the Board of Fire Underwriters released its analysis and report on Philadelphia. The Philadelphia *Inquirer* said the Board "raked the City's Bureau of Fire over the coals . . . in a 72–page report charging that agency was seriously inadequate for the proper protection of the City."

In July 1949, the Philadelphia *Evening Bulletin* announced that the Board "demoted" Philadelphia from a Class 2 to a Class 4 city "as a

result of the deterioration of its fire protection." Whereupon the Middle Department Association of Fire Underwriters announced that "no action will be taken in the matter of rate adjustment insofar as the revised grading is concerned until on or about January 1, 1950." It was subsequently reported that if the January recheck did not show adequate improvement, an upward revision of insurance rates "cannot be avoided."

Up the Ladder of Improvement

Philadelphia's fire-protection and fire-fighting have come a long way up the ladder of improvement since 1949.

The first step was to replace some of the obsolete and very undependable fire-fighting equipment. The new and sorely needed fire school got under way. The Board stated December 31, 1951:

> The department apparatus has undergone extensive replacement so that, with the exception of five pumpers, all pumpers and hose wagons in service are 10 years old or less. The Philadelphia Bureau of Fire has made excellent progress in returning to its formal level of efficiency. Considerable improvement was noted in discipline, morale and training; more improvement should be accomplished in training upon the completion of the new drill tower and training school. A great deal of credit must be extended to the Director of Public Safety for his planning and direction during the period of extensive improvement.

Continued Progress

The task of rebuilding the Fire Department was continued by the present city administration. One of the first acts of the Fire Commissioner was to call upon a group of citizens from business, schools, civic organizations, and other groups to form a Citizens' Council on Fire Prevention.

The Council meets monthly to discuss ways and means of preventing fires. Officials of the

Fire Department also attend to render immediate technical advice and assistance. Committees have been formed to promote educational programs on fire prevention for adults, children, and industry, and on observance of Fire Prevention Week.

National Fire Prevention Week

Before Citizens' Council was organized, Philadelphia had not paid too much attention to the annual national Fire Prevention Week. It was merely "observed."

However, the year of 1952 saw a real effort made, and Philadelphia was awarded fourteenth place nationally by the National Fire Protection Association. Plans were laid early in 1953 for a bigger and better Fire Prevention Week, and this time Philadelphia placed first among 1,600 competitors and received the National Grand Award.

The year 1954 saw the best effort to date. In a cooperative effort, the city's Fire Department and Citizens' Council started to plan for the 1954 program in October 1953. As a result, millions of pieces of literature were distributed by hand, through all fire stations, schools, churches, and stores. Numerous radio and television programs were included. Sensational firefighting demonstrations and parades were held.

Plans are already being laid for a "repeat performance" in 1955.

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DIRECT TAXES AND WATER AND SEWER CHARGES

IS THE BILL for taxes and utility charges of a family residing in a developing suburban area lower or higher than the Philadelphian's bill?

This CITIZENS' BUSINESS does not provide the whole answer to this complicated question, but it does attempt to throw a faint ray of light by presenting data comparing the direct taxes plus the water and sewer charges of a "typical" family in Philadelphia and in three selected suburban townships.

Assumptions on the "Typical" Family

In the illustrations (see table inside), the typical family owns a $10,000 home, and pays no personal property tax, no real estate transfer tax, nor any of the business taxes. Nor is the Philadelphia wage and income tax included in the table, since the tax applies to all persons *working* in Philadelphia, whether they live in the city or in the suburbs. It should be noted, therefore, that if the typical family's bread-winner lives *and* works

in a suburb, he would not pay this tax. (On a $4,000 salary, the tax amounts to $50 yearly.)

Differences Among Suburban Municipalities

Although suburban municipalities in the Philadelphia region differ appreciably in population, type of development, fiscal capacity, and public services performed, nevertheless comparisons of considerable validity can be achieved by careful selection of municipalities operating under generally similar conditions, and by consideration of the charges for important services (provided publicly in some cases and privately in others).

Philadelphia provides more services; many suburban residents claim better services, but no evaluation of this claim is attempted here.

In each of three counties—Bucks, Delaware, and Montgomery—one first-class township was chosen* with these characteristics: medium population size (12,000 to 25,000); rapid growth during the post-war building boom; some industrial and commercial tax base; and a combined county, municipal, and school tax rate (adjusted for variations in the ratio of assessed to market value) at, or very close to, the median for all first-class townships in each county.

Comparative Direct Taxes and Charges

As shown in the accompanying table, Philadelphia's real estate tax *rate* is much lower than those of the selected suburban townships. However, Philadelphia property is assessed at a relatively high average of 60.5% of its market value, as compared with 26% in the three townships. Consequently, on a home with a *market value* of $10,000, the 1954 real estate taxes for municipal, school, and county purposes amounted to $183 in Philadelphia, very close to $146 in the selected

* Bucks county has only one first-class township.

Selected Taxes and Water and Sewer Charges, 1954

NOTE: The following table shows what a "typical family" occupying a home of $10,000 market value in Philadelphia and in three selected suburban townships pays in real estate, and per capita and occupational taxes (if any), and water and sewer charges.

Item	Phila-delphia	A selected first-class township in		
		Bucks county	Delaware county	Mont-gomery county
Real property tax rate (mills)				
County (a)	0	8.0	7.5	1.5
Municipal	17.00	10.0	13.0	14.5
School	13.25	42.0	36.0	40.0
Total rate	30.25	60.0	56.5	56.0
Assessed value of $10,000 home (b)	$6,050	$2,600	$2,580	$2,610
Real property taxes				
County (a)	0	$ 20.80	$ 19.35	$ 3.92
Municipal	$102.85	26.00	33.54	37.85
School	80.16	109.20	92.88	104.40
Other local taxes (c)	0	24.00	0	0
Total taxes	*$183.01*	*$180.00*	*$145.77*	*$146.17*
Water and Sewer charges (d)	24.87	42.00	52.20	50.20
GRAND TOTAL	$207.88	$222.00	$197.97	$196.37

(a) Includes institutional district taxes. City of Philadelphia performs all county and institutional district functions.

(b) Computed on basis of ratio of assessed value to market value as determined by Pennsylvania State Tax Equalization Board, June 30, 1954.

(c) Includes for selected Bucks county township, $20.00 for school per capita and personal tax ($10.00 for each person over 21) and $4.00 for county occupational tax (8 mills on $500 assessment basis per family). No such taxes are levied in the other selected townships.

(d) Assuming annual water consumption per household of 60,000 gallons, equivalent to 41 gallons per person per day for a family of four.

Montgomery and Delaware county townships, and $156 in the Bucks county township.

The latter township has per capita and occupational taxes averaging $24 per family, bringing the total Bucks county township tax bill to $180, not including the fire district and special assessment levies in certain sections.*

* In addition, since no municipal refuse disposal service is provided in the selected Bucks county township, many residents pay a yearly fee of about $19 to a private refuse collector.

Taxes alone, however, do not tell the whole story. Water and sewer charges are much higher in the three townships, especially for large users.

Summary

Briefly summarized, although the suburban townships' direct taxes are lower, the higher charges for water and sewer services and other charges bring the typical family's total township bill to nearly the same level as, or higher than, the Philadelphia bill.

Robert K. Sawyer

The cause of government improvement lost an effective leader in the death on February 11 of Robert K. Sawyer.

Mr. Sawyer came to Philadelphia in 1946 as staff engineer of the Bureau of Municipal Research. In 1947, he became director of the Bureau. Subsequently, after serving as director of, successively, the "Committee of 15" and the Greater Philadelphia Movement, he was appointed as the city's first Managing Director under the Home Rule Charter.

In all of these positions, he used his remarkable abilities to advance the efficiency and effectiveness of governmental service in Philadelphia.

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CHESTER COUNTY REPLACES ITS ONE-ROOM, TWO-ROOM SCHOOLS

CHESTER COUNTY had 286 one-room and two-room schools in use in 1911. Eighty-six were still in use in 1950. All but 9 are now closed or are about to be closed under plans completed or under study—the largest number of one-room and two-room school closures since the period 1920–1929.

Served a Useful Purpose

The one-room school was a product of the earliest school building programs of the 19th century. It served its purpose well in housing small groups of neighborhood children in isolated parts of rural areas.

However, as early as 1901, the inadequacies of the one-room school were recognized in Pennsylvania. The State Legislature subsequently gave local school directors a mandate, under certain circumstances, to close them and transport the children to larger near-by schools, or to replace them with consolidated schools. Financial induce-

ments were also provided. Even so, 2,200 were still in use in Pennsylvania in 1951.

Citizen Interest and Research a Help

Studies made for 56 of Chester county's 73 school districts by the Pennsylvania Economy League between 1950 and 1955 revealed in many cases that the continued existence of the one-room and two-room buildings presented one of the greatest challenges to be faced by the citizens.

The pressure of increasing enrollments was resulting in over-crowded classrooms, over-burdened teachers, and expenditure of tax money for "temporary" facilities which made no great improvement in the education of children. The League pointed out that the money spent for this purpose could be put to much more effective use if applied to the needed new consolidated schools.

A Sound Foundation

The efforts of school directors and citizens are providing a sound foundation for meeting future population growth in Chester county, with tax monies invested in well-planned modern expansible buildings, operated as part of larger and more efficient administrative units. As a result, some 2,000 Chester county children, who have not had educational opportunity equal to the standard of most of the county, will be on a par with their neighbors.

This is a record of accomplishment which reflects credit on the County Board of School Directors, the County Superintendent and his staff, and the many local directors and citizens who made it possible. The Pennsylvania Economy League, as a responsible citizen organization, is proud to have shared in their accomplishment.

State Legislation Aimed at Improving School Facilities

(As summarized in a report on "Pennsylvania's One-Room School" made by the Pennsylvania Economy League in February, 1951, which concluded that the continued use of such schools in Pennsylvania was "expensive to taxpayers and a penalty to pupils.")

1834—Free School Act.

1901—An Act providing for "a system of schools in a township, providing for the abolishment of all subdistricts and the conveyance of pupils to one or more central schools."

1911—School Consolidation Act.

1911—Joint Board Act.

1921—An Act providing for annual payment by the state of $200 for each one-room school closed since 1911 in 4th class districts.

1945—An Act making it a duty of the County Board of School Directors to examine and standardize the level of education among the districts of the county.

1947—An Act requiring County Boards to prepare county-wide plans for the reorganization of attendance areas and administrative units.

1947, 1949, 1951—Acts establishing a State School Building Authority and providing subsidization of new school construction through this Authority or through local Authorities.

1951—An Act providing for additional state subsidy for 3rd and 4th class districts which operate schools jointly, and still larger subsidy for merged districts or union districts.

Consolidation Duties of Local School Directors

Consolidated Schools. "The Board of Directors of any school district may establish . . . consolidated schools by uniting two or more public schools . . . The Board of School Directors may transport pupils to and from such schools as provided for by this act. The State Council of Education is . . . directed to aid in the establishment of consolidated and joint consolidated schools." (Sec. 505, *Public School Code*, 1953.)

Duty to Consolidate Schools. "Whenever graded schools can be made to accommodate the pupils of one or more one-room schools by consolidating said . . . schools with another school . . . it shall be the duty of the Board of School Directors to abandon the one-room schools, and instead of repairing or rebuilding the one-room schoolhouse or schoolhouses, they shall erect a suitable modern building for the purpose of consolidating and properly grading all of the schools. No pupil of the abandoned schools shall be required to walk more than a mile and a half to the new school building." (Sec. 506.)

Joint Action. "Each Board of School Directors shall have power to enter into agreements with other political subdivisions . . . in performing governmental powers, duties, and functions . . . which are common to all such political subdivisions." (Section 521.)

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PHILADELPHIA SHOWS SURPLUS FOR FOURTEENTH CONSECUTIVE YEAR

AGAIN, at the end of 1954, the city of Philadelphia closed the year in excellent current financial condition. Income in the city's three main funds (the general, water, and sewer funds*) reached all-time peaks and so did expenditures. For the *fourteenth* consecutive year, current cash on hand exceeded current liabilities at the year-end.

City Income

Total net income in the city's three main funds has increased steadily from 1950, rising from $126.0 million in 1950 to $146.7 million in 1952 and to $180.4 million in 1954—an increase of $54.4 million (43%) in the period. The rise is expected to continue in 1955 to an all-time peak of $182.7 million (see table inside).

In 1953, the city initiated two new levies, the mercantile license tax and the real estate transfer

* Philadelphia's three main funds did not come into existence as separate self-contained funds until 1953. All three were part of one "general account" until 1953.

tax, and repealed one old levy, the documentary stamp tax. The new taxes yielded $16.0 million in 1953, and $17.4 million in 1954, nearly 11% of the year's general fund income.

In 1953, water rates were increased for metered customers. Since sewer rates are a percentage of water rates, the sewer rents rose.

City Outgo

Total annual outgo from the city's three main funds increased from $125.3 million in 1950 to $148.0 million in 1952, and rose to $181.3 million in 1954—a net increase of $56.0 million (45%) in the period (see table opposite).

City Surplus

Surplus is generally understood in Philadelphia's city finances to mean the cash available for operations in excess of that which is required to satisfy recorded commitments at the close of the year. This surplus is cumulative, reflecting the results of each year's operations, as shown below (in millions):

	General Fund	*Water Fund*	*Sewer Fund*	*Total*
1950				
Cumulative surplus at 12/31 ..	$ 2.0	$ —	$ —	$ 2.0
1951				
Year's own surplus	+0.8	—	—	+ 0.8
Cumulative surplus at 12/31 ..	2.8	—	—	2.8
1952				
Year's own surplus	—1.9a	0.0a	+1.5a	— 0.4a
Cumulative surplus at 12/31 ..	0.9	0.0	1.5	2.4
1953				
Year's own surplus	+6.8	+0.8	+0.7	+ 8.3
Cumulative surplus at 12/31 ..	7.7	0.8	2.2	10.7
1954				
Year's own surplus	—0.8	—0.7	0.0	— 0.1
Cumulative surplus at 12/31 ..	6.9	1.5	2.2	10.6
Surplus appropriated for 1955	**5.2**	**1.1**	**2.2**	**8.5**
Surplus unappropriated at Jan. 1, 1955	**1.7**	**0.4**	**0.0**	**2.1**

a. Resulting from calculations for separation of funds in 1953.

CITY'S INCOME AND OUTGO, 1950–1955
THREE MAIN FUNDS (IN MILLIONS)

Year	General Fund		Water Fund		Sewer Fund		Total	
	Income	Outgo	Income	Outgo	Income	Outgo	Income	Outgo
1950a....	$110.6	b	$ 9.6	b	$5.8	b	$126.0	*$125.3*
1951a....	122.3	b	9.8	b	6.9	b	139.0	*139.0*
1952a....	130.6	b	9.4	b	6.7	b	146.7	*148.0*
1953	156.6	*$150.3*	11.7	*$11.4*	8.5	$7.2	176.8	*172.2*
1954	159.9	*161.6*	11.7	*11.8*	8.8	*7.9*	180.4	*181.3*
1955c...	161.8	*167.1*	11.9	*13.2*	9.1	*9.3*	182.7	*189.6*

a. For these years, the income reported as "water rents, etc." and "sewer rents, etc." has been separated from other "general account" receipts so that the receipts as shown are approximately comparable to the receipts for the three main funds for 1953, 1954, and 1955.

b. It is impossible to segregate satisfactorily—even on an approximate basis—"water" and "sewer" outgo from other "general account" outgo in 1950, 1951, and 1952 (before the three main funds were separated in 1953).

c. Budget estimate.

Surplus in Prior Years

It is noteworthy that the city closed 1954 with a cumulative cash surplus for the fourteenth consecutive year. Substantial cumulative cash surpluses are not news in the city's history, as the following table indicates (in millions):

1940	$−3.0	*1945*	$3.6	*1950*	$2.0
1941	2.3	*1946*	4.6	*1951*	2.8
1942	6.2	*1947*	6.1	*1952*	2.4
1943	4.8	*1948*	4.0	*1953*	10.7
1944	3.0	*1949*	0.1	*1954*	10.6

So long as they do not constitute an inducement to unwise appropriations for the succeeding year, continuation of a pattern of recurring reasonably large surpluses at year-end will beneficently affect the city's credit and improve the marketability of its bonds, old issues and new.

The Outlook for 1955 and 1956

The city administration expects both income and outgo to continue to rise in 1955, but that

income with available surplus will exceed outgo.

This pattern is expected to change in 1956. The city's fixed costs—operation of the pay plan, debt service, pension charges, and operations of new capital projects completed in 1955, to name only a few—are expected to rise so sharply in 1956 that income will fall $6 million to $7 million short of meeting 1956 operating requirements.

However, the city administration is hopeful that—with rigid budgetary supervision in 1955 and barring any unforeseen emergencies—it will have available for 1956 operations enough surplus from 1955 and prior years' operations to be able to complete the financing of the 1956 budget without raising taxes or water and sewer rates.

Thus, in the general fund, city Council reduced some of the Mayor's proposed budget for services, and set up in the 1955 appropriations what is in effect a $2.0 million "nest egg" for 1956 operations. Moreover, the administration has already programmed a $3.0 million reduction below the amounts appropriated by Council.

These savings of $5.0 million, plus the $1.7 million unappropriated surplus available last January 1 from 1954 and prior years' operations, total $6.7 million, which could be available for 1956 operations. This will undoubtedly be reduced by spending for unforeseeable emergencies in 1955, but it may also be increased by further operational savings.

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CODIFICATION OF PHILADELPHIA'S ORDINANCES NEARS COMPLETION

PHILADELPHIA'S Law Department expects soon to transmit to city Council the proposed final draft of *The Philadelphia Code*—a comprehensive revision and codification of all the city's general ordinances. This will be an important achievement, since the city's ordinances have never before been codified. Heretofore, the only ready-reference sources have been occasional "digests" of ordinances, and the *Index of Philadelphia Ordinances,** published by the Bureau of Municipal Research.

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Why Codify?

A municipal attorney has said that, "A city is primarily a legal machine created to serve the public—the machinery being the city's charter and ordinances. Unless a city's ordinances are accessible and certain, it cannot perform its functions."

That Philadelphia's ordinances have been both inaccessible and uncertain is abundantly clear to anyone who has needed to consult the 100 volumes

* Two editions of this volume were published, the first in 1925 and the second in 1937; a supplement appeared in 1946.

of ordinances (1854 through 1953) comprising approximately 56,000 printed pages.

Moreover, Philadelphia's long-established practice of enacting ordinances containing blanket repealers of "all ordinances or parts of ordinances inconsistent herewith" has complicated the task of determining which, if any, ordinance prevails on a given subject.

Further, many ordinances still on the books have been superseded by the state constitution and statutes, or by the Home Rule Charter. In other instances, the reason for the legislation has ceased to exist, but the ordinance has never been repealed.

Codification Required by Charter

The Home Rule Charter requires that the Law Department "shall prepare and submit to the Council for its consideration, a comprehensive revision and codification of all general ordinances of the City which are still in effect. . . . After the code has been adopted all measures of general application shall be ordained as amendments of or additions to it."*

First Steps

In 1953, the Law Department began the task of revision and codification. First, every ordinance from 1854 to 1954 was examined, and those "of general† application" were assembled and arranged by subject matter.

The revision was next begun. This, according to the Law Department, included resolution of conflicting language, elimination of archaic and obsolete ordinances or sections thereof, moderniza-

* Sections 4-400(e) and 2-304.

† The Code will not incorporate "special" ordinances, which include, but are not limited to, those authorizing appropriations and loans, granting franchises, and placing streets on the City Plan.

Philadelphia Observes Anti-Noise Week

AS PART of its year-round educational program, the Philadelphia "Mayor's Committee for Noise Abatement" is sponsoring observance of national "Noise Abatement Week," April 10 through April 16. In a recent statement, the Committee noted its determination "that its best hope for success can come only from a persistent, *persevering endeavor to achieve modest objectives."*

The Committee was established by the Mayor a year ago, following a recommendation made by the Bureau of Municipal Research in its report, Quiet, Please! *(The report is summarized in* CITIZENS' BUSINESS *No. 2,080.)*

tion of ordinances, and drafting of ordinances to fill gaps and eliminate loopholes. In this process, officials of the other departments were consulted. In order to save printing costs, the first draft of the Code was submitted to Council in mimeographed form in January 1954 where it was available for general study and consideration. Also, the first draft was circulated among "civic agencies, citizens, and the appropriate Committee of the Philadelphia Bar Association" for comment.

Conformity to Other Law

Beyond the work of making the ordinances consistent—within themselves and with each other—lay the task of insuring that the whole body of ordinances conformed to existing constitutional and statutory law, and court decisions.

A considerable part of the material in the proposed Code has been cross-referenced to other sections, to the ordinances from which the sections derive, to the Home Rule Charter, to statutes, to

Solicitors' Opinions, and to court decisions. Footnotes will give the sources of each section and describe the basic changes made by the codification.

Thus, codification has entailed considerably more than a "rehashing" of existing ordinances. The Law Department states, however, that while "revision" necessarily entailed considerable changes in the existing body of ordinance law, it has not written into the Code any entirely new legislation for which there was not a basis in the existing laws.

Final Steps

The assignment of ordinances to the broad general titles set up by the Code (e. g., *Finance, Public Property, Licenses and Inspections*) was the next step. A numbering system was selected for the Code which would be easily comprehended and which would lend itself to later necessary expansion.

The mode of publication of the Code has also been decided, namely, in bound volumes to which pocket parts may be added.

Correction to Citizens' Business No. 2,099

In CITIZENS' BUSINESS No. 2,099, "total city outgo" for 1953 was erroneously listed as $172.2 million. The correct figure is $168.9 million.

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'PACKAGE' PLANT MAY SOLVE SEWAGE PROBLEM OF SMALLER COMMUNITIES

"PACKAGE" sewage treatment plants, particularly of the "contact aeration" type, appear to be an answer to the sewage disposal problems confronting many small Pennsylvania communities.

This is the primary conclusion of a 40-page report—*Sewage, A New Concept of Disposal for the Small Community*—recently released by the Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division), and is based on substantial data gathered by the BMR-PEL from state departments of health, from operators of package plants, and from responses to letters of inquiry sent to organizations having experience with contact aeration.

Many Inadequacies Revealed

A review in 1954 of subdivision control records by the Southeastern Pennsylvania Regional Planning Commission disclosed that sanitary public sewerage services for a substantial number of new residential developments were highly inadequate. In 1953 alone, 34% of the total number of homes built in Bucks, Delaware, and Montgomery coun-

ties were dependent on such unsatisfactory on-lot facilities as septic tanks and cesspools. The record by county was: Bucks, 27%; Delaware, 22%; and Montgomery, 61%.

Commission Requested Survey

This fact, together with the realization that in urban or soon-to-become urban areas the purchasers of homes having on-lot disposal facilities would be required to abandon such facilities at a substantial loss as soon as metropolitan sewage collection and disposal could be available, led the Regional Planning Commission to request the Pennsylvania Economy League to undertake a factual evaluation of certain new and apparently successful sewage treatment facilities in nearby states.

The Commission commented that its interest in these possible alternative methods of sewage treatment was also based on the difficulties which established communities were experiencing in financing contemplated sewerage projects. It was noted that lenders were reluctant to provide funds for such projects when the annual sewer charge per household was anticipated to exceed $50.

The League started the survey by reviewing the situation with the Sewerage Engineering Section of the Environmental Sanitation Division of the Pennsylvania Department of Health. The reaction of the Sewerage Engineering Section was one of caution when questioned as to possibilities of new treatment methods. Consequently, the League decided to investigate how small communities in other states were coping with their sewage disposal problems.

Contact Aeration Claims

The survey revealed a number of claims as to the advantages of the contact aeration method of

Sewage Report Now Available

A limited number of copies of ***Sewage—A New Concept of Disposal for the Small Community*** *are now available at $1 each from the BMR-PEL. However, single copies may be obtained free of charge by contributors of the BMR-PEL. (Quantity rates will be quoted on request.)*

sewage treatment. The claims were made by the licensees of the process, by communities employing it, and by operators of the plants themselves.

The claims consisted substantially of the following:

- **Capital cost savings of up to 50%.**
- **Operating manpower savings up to 75%.**
- **Substantially less maintenance and other operating costs.**
- **Better reduction of pollution in sewage; consistently in excess of 90%.**
- **Exceptional ability to meet sudden heavy loads successfully.**
- **Only standard available labor, material, and equipment required for construction.**
- **Consistent freedom from nuisances, such as odors and flies.**
- **Ability to re-use a small metal plant of this type at new locations if growth warrants metropolitan sewer extension and the discontinuance of the "package" plant at the original location.**

Analysis of Comparative Costs

In addition to considering these claims, the League made inquiries concerning the cost of on-lot sewage disposal facilities. The findings are listed in an appendix to the report, and are compared with the cost of supplying public sanitary

sewerage to a small community, including sewage treatment by the contact aeration method.

Results based on recent cost experiences of contact aeration indicated a very favorable cost picture for public sewerage utilizing contact aeration as compared with on-lot sewage disposal, and pointed to the conclusion that builders and developers would benefit financially from supplying public sewerage under certain conditions. In addition, they would benefit from better long-range customer relations.

Claims and Observations

The report reviews the claims pertaining to the sewage disposal methods used by a number of small isolated communities. It recommends that Pennsylvania officials—and builders of small communities, together with the consulting engineers and health officials serving those communities—should observe what other communities have accomplished, and that they take those observations into consideration when planning to meet their own sewage problems.

However, the report is in no way to be construed as a testimonial for contact aeration, or a blanket recommendation that contact aeration be adopted by any community without thorough prior investigation by professional sanitary engineers.

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DOWNINGTOWN AREA SCHOOL STUDY REVEALS NEED FOR JOINT ACTION

THE PROSPEROUS and lovely countryside of Chester county's Downingtown Area, through which an ultra-modern highway provides swift connection with great metropolitan centers, still retains school buildings which were planned for community conditions and educational needs of a bygone age.

Responsible for this anomalous situation is the nature of the school district organization still prevailing there and in many other parts of the country. So concludes the recently released 58-page report, *A Survey of School Building Needs and Related Problems in the Downingtown Area*, prepared by the Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division), Chester county branch, at the request of eight school boards in Chester county.

Need for Combined Operation

Pennsylvania and other states have for long years struggled with the problem of administrative units that are too small for the economical and

efficient management of school affairs. The benefits derived from combined operation have been illustrated again and again throughout the Commonwealth, and nowhere better than in the record of successful management of the Downingtown Joint High School.

On the other hand, the elementary schools of Downingtown area are still conducted under separate district control, and include no less than 11 one- and two-room buildings.

Thriving Downingtown Area

The borough of Downingtown is located in the center of Chester county, 32 miles west of Philadelphia on the main line of the Pennsylvania Railroad. As a thriving industrial community of 5,000 population, it is the center of activity for an area of some 80 square miles of beautiful rolling country, comprising the townships of East Brandywine, East Caln, Upper Uwchlan, Uwchlan, Wallace, West Bradford, and West Pikeland.

The eight school districts of the Downingtown area took a forward step in education in 1930 when they formed a joint board to provide for the education of all their pupils in grades 7 to 12 at the high school situated in Downingtown.

The "jointure" proved to be a successful one. Under the agreement, a substantial addition was built to the existing high school building, providing for eight classrooms and very good shop facilities. The relations of the boards with each other continue to be excellent.

Consequences of Increased Population

Births in the eight school districts, as recorded in the school census reports, increased from 127 in 1937 to 270 in 1947, and have remained at about 225 annually since the peak year.

The rise in the birth rate has combined with

What the Report Recommends

MAJOR recommendations of the BMR-PEL Downingtown area school study are as follows:

- Plan for a merger of the eight school districts, to be effected by an affirmative vote of the people at the earliest election date commensurate with the time required for full discussion and deliberation by the voters.
- Pending the consummation of a merger, provide immediately by board action for the extension of the present high school jointure to include all elementary grades.
- Erect a single elementary school in the geographical center of the five townships north of Downingtown, or two schools at opposite ends of the area, to replace one- and two-room schools.
- Revise attendance areas of all schools so that children may attend schools nearest their homes, regardless of present political boundaries.
- Establish a continuous program of maintenance and improvement in the schools to be retained, and provide adequate acreage for school sites.
- Resurvey future high school needs by 1957.
- Finance expenditures for capital outlay with the most advantageous type of borrowing under present state legislation, and utilize such state reimbursement as is available and for which the districts may become eligible.

the development of new housing to swell school enrollments in the elementary grades. Higher enrollments in the high school are just around the corner.

In the next nine years elementary enrollments are expected to increase 23%; junior high school pupils, 37%; and senior high school pupils, 48%.

Downingtown Report Now Available

A LIMITED number of copies of *A Survey of School Building Needs and Related Problems in the Downingtown Area* are now available from the BMR-PEL. So long as the supply lasts, single copies may be obtained free of charge by contributors of the BMR-PEL; for others, the price is $1.50 per copy.

Moreover, old buildings require rehabilitation or replacement. School sites are inadequate.

Difficult Task Ahead

Joined to the imperative need for new and improved facilities in many quarters comes also the desire of a new generation of young parents for some greater variety of educational services than have heretofore been provided by the schools. None of these things makes the task of school boards and administrators easier.

Thus, the increase in the Downingtown area school population will pose a problem in planning and financing of no mean proportions, particularly with respect to the elementary schools administered by the small individual school districts. The BMR-PEL report seeks to provide some answers.

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RAPIDLY EXPANDING BUCKS COUNTY TOOLS UP FOR LOCAL PLANNING

SUBURBAN EXPANSION, dramatized by the U. S. Steel plant, Fairless Hills, and Levittown, is spreading rapidly in Bucks county. Wholesale urbanization in Lower Bucks and more dispersed suburban growth elsewhere in the county is alerting local governments in the area to step up their planning, zoning, building, and other regulatory activities.

Growth Trends

In the period 1950–55, about 18 square miles of open land in Lower Bucks has been transformed into residential subdivisions and other urban and semi-urban types of development, and population has grown from 82,417 to an estimated 145,000.

Within the next 15 to 25 years, county planners expect another doubling of Lower Bucks' population. Growth in other sections of the county may proceed at a comparable rate, particularly if adequate water and less expensive methods of sewage disposal are made available.

County Planning

In 1951, anticipating impending expansion, the County Commissioners created the Bucks County Planning Commission. Through its planning studies, subdivision review, and other activities, the commission has been playing an increasingly significant role in bringing about better community development, often at less public and private costs than would otherwise have resulted.

Since adopting land subdivision regulations early in 1952, the commission has approved plans for 258 new subdivisions (comprising 26,403 lots) to assure adequate lot sizes, proper street design and improvements, and harmonious layout with respect to the existing and expected development of adjoining areas. Another major activity has been the publication of the *Lower Bucks County Regional Plan,* prepared with assistance from the State Planning Board.*

Municipal Planning and Related Regulations

Half of Bucks county's 54 municipalities are zoned, and about one third, mostly in Lower Bucks, have planning commissions (7 boroughs and 9 townships) and building regulations (see table opposite).

Guided by county planning, a municipality's comprehensive plan for land use, highways, schools, recreation areas, water, sewer, and other public facilities can serve as a basis for zoning, highway set-back lines, and other measures which coordinate private activities in accordance with community objectives. (See last page for summary of powers of planning commissions.)

Based on wise planning, such regulations protect property values, prevent costly or irreparable

* This plan deals mainly with physical development, but the last part (released Sept. 1954) is a report on local government, which recommends the establishment of a Lower Bucks committee or agency to develop the factual base and explore the possibilities for greater governmental cooperation and coordination.

Progress in Municipal Planning

OUT OF Bucks county's 54 municipalities, the number with planning commissions, zoning ordinances, and building regulations in effect or under consideration is as follows:

	Planning	*Zoning*	*Building*
Adopted before 1950	0	7	8
Adopted 1950–May 1955 .	16	20	10
Under consideration	3	5	0
Total	19	32	18

Source: Bucks County Planning Commission.

mistakes, and guard against unnecessarily high taxes in future years. For example, in areas marked for public sewerage, the builder may either install sewers as the construction proceeds, or, if septic tanks are used initially, design waste lines for later connection to public sewers, thus saving the householder up to a thousand dollars.

Competent Technical Advice Is Essential

Although some municipalities engage consulting firms, many municipal planning commissions in Bucks county look to the County Planning Commission for expert planning services on a cost-sharing basis.*

Some municipalities, particularly those with township or borough managers, may advantageously use present full-time or special part-time employees for drafting, statistical, and clerical work under periodic direction of county planning staff or private consultants.

It has been suggested that an association of Bucks county planning and zoning officials—holding occasional meetings for exchange of views and for special talks by qualified experts—would stimulate more effective planning.

* Citizens' Business Nos. 2,090 and 2,093 discuss county and federal aid available for suburban planning.

Municipal Planning Tools Summarized

BOROUGH and township planning commissions have powers and duties as summarized below:

Planning activity	*Boroughs*	*First class townships*	*Second class townships*
General plans	May be prepared; may extend 3 mi. beyond limits	To be made for all or part of twp.	Shall prepare & adopt a twp. development plan
Street plans, etc.	*Plan. Com. may recommend to governing body plans for new or widened streets, parks, public bldg. sites, etc.*1		
New subdivisions	Plan. Com. review & approval required	Plan. Com. review may be requested	Plan. Com. review must be requested
Misc. advisory powers regarding planning	May make recommendations to any public or private agency2	May make recommendations to township commissioners	May make recommendations to sup'vrs, agencies & citizens
Zoning	*Governing body may designate Plan. Com. to perform functions of zoning commission. Regulations sent to governing body for enactment "shall be in accordance with a comprehensive plan."*		

1 Second class township supervisors may establish an official map of streets, parks, and playgrounds shown on the development plan. Before enactment, changes in the official map must be referred to the Planning Commission for recommendations.

2 Borough Council shall refer proposed ordinances regarding public bldgs., streets, etc., to the planning commission, which may disapprove them, "but such disapproval shall not operate as a veto." **References:** *Borough Code*, Secs. 1145-1150 (53 PS 13251-13256). Also (zoning) Secs. 3303-3306 (53 PS 15211.3-15211.6). *First Class Township Code*, Secs. 3201-3203 (53 PS 19092-3201 to 3203). Also (zoning) Secs. 3103-3106 (53 PS 19092-3103 to 3106). *Second Class Township Code*, Secs. 2051-2057 (53 PS 19093-2051 to 2057). Also (zoning) Secs. 2003-2006 (53 PS 19093-2003 to 2006).

Note: Boroughs and first class townships had power to create planning commissions and enact zoning and building regulations by 1931 or earlier. Second class townships were granted such powers in 1947 for zoning, 1951 for building regulations, and 1953 for planning.

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CITY'S PENSION APPROPRIATIONS MAY RISE THREEFOLD BY 1970

LAST YEAR, pensions and refunds paid by Philadelphia's three pension funds totaled $9.2-million. This amount is likely to triple during the next 15 years, possibly increasing to as much as $27.8-million by 1970, and stabilizing at about $22.2-million by 1980 and thereafter.

Employee contributions, state subsidies, and other income provide about $5.1-million annually. This leaves to the city the responsibility of appropriating increasing amounts each year, possibly reaching a peak of about $22.7-million by 1970—over three times the 1955 combined city appropriation of $6.7-million—and then gradually declining to about $17.0-million in 1980 and thereafter.

Table Shows 1955–1980 Projections

A year-by-year projection of cash disbursements (pensions and refunds) and city appropriations for the period 1955–1980 appears on the next page of this CITIZENS' BUSINESS. However, the appropriations shown for 1955 are the

PHILA. PENSION SYSTEMS—ACTUAL (1950 AND 1954) AND PROJECTED (1955–1980)* CASH DISBURSEMENTS (PENSIONS AND REFUNDS) AND CITY APPROPRIATIONS (IN MILLIONS OF DOLLARS)

Year	Mun. Pen. Fd.		Pol. Pen. Fd.		Fire. Fds. (a)		All Funds	
	Pens. & ref.	City appr.	Pens. & ref.	City appr.	Pens. & ref.	City appr.	Pens. & ref.	City appr.
1950	$ 1.8	$ 0.9	$ 2.1	$0.5	$0.9b	$ c	$ 4.8	$ 1.4
1954	3.6	2.1	4.4	2.5	1.2d	c	9.2	4.7
1955	4.1	3.3e	4.7	3.3e	1.5	c	10.3	6.7e
1956	4.6	3.3	5.1	3.3	1.8	0.6	11.5	7.2
1957	5.1	3.3	5.5	3.3	2.2	1.0	12.8	7.6
1958	5.6	3.3	5.8	3.7	2.5	1.3	13.9	8.3
1959	6.1	3.3	6.2	4.2	2.8	1.5	15.1	9.0
1960	6.6	3.5	6.6	4.8	3.1	1.9	16.3	10.2
1961	7.1	5.1	6.9	5.0	3.4	2.2	17.4	12.3
1962	7.6	5.6	7.3	5.4	3.7	2.5	18.6	13.5
1963	8.1	6.1	7.6	5.7	4.0	2.8	19.7	14.6
1964	8.6	6.6	8.0	6.1	4.3	3.1	20.9	15.8
1965	9.1	7.1	8.4	6.5	4.6	3.4	22.1	17.0
1966	9.6	7.6	8.7	6.8	4.9	3.6	23.2	18.0
1967	10.1	8.1	9.1	7.3	5.2	4.0	24.4	19.4
1968	10.6	8.6	9.4	7.6	5.5	4.3	25.5	20.5
1969	11.1	9.1	9.8	8.0	5.8	4.6	26.7	21.7
1970	11.6	9.6	10.1	8.2	6.1	5.0	27.8	22.7
1971	11.4	9.4	9.9	8.0	6.0	4.8	27.3	22.2
1972	11.1	9.1	9.7	7.8	5.9	4.7	26.7	21.6
1973	10.9	8.9	9.5	7.6	5.8	4.6	26.2	21.1
1974	10.7	8.7	9.3	7.4	5.6	4.4	25.6	20.5
1975	10.4	8.4	9.1	7.2	5.5	4.3	25.0	19.9
1976	10.2	8.2	8.9	7.0	5.4	4.1	24.5	19.3
1977	10.0	8.0	8.7	6.9	5.3	4.1	24.0	19.0
1978	9.7	7.7	8.5	6.7	5.1	3.9	23.3	18.3
1979	9.5	7.5	8.3	6.4	5.0	3.8	22.8	17.7
1980	9.2	7.2	8.1	6.2	4.9	3.6	22.2	17.0

a. As provided jointly by the Firemen's Pension Fund and the Municipal Pension Fund in accordance with Ordinances of August 17, 1953 and April 14, 1954, and Regulation No. 1, Board of Pensions and Retirement.

b. Firemen's Pension Fund only, for fiscal year ending January 31, 1951.

c. Appropriation for 1950 was $30,000 (Firemen's Fund); 1954, $18,500 (Municipal Fund); 1955, $25,000 (Municipal Fund).

d. $1,186,000 of this amount is for the fiscal year ending January 31, 1955.

e. Actual city appropriation for 1955.

*** Assumptions.** The assumptions for this table relating to the 1955–1980 projections are as follows:

1. *Dues and benefit provisions*—as of January 1, 1955.

2. *Current actuarial cost*—general employee pensions, 11.94% of payroll; police, 25.75%; firemen, 25.75%.

3. *Interest rate*—2½%, compounded annually.

4. *Peak and stabilized disbursements*—disbursements (pensions and refunds) will reach peak in 1970, at 1.75 times the current actuarial cost, and will then gradually decline, stabilizing in 1980 and thereafter at 1.4 times the current actuarial cost.

actual ones. The table also shows the actual disbursements and appropriations for 1950 and 1954.

It will be noted that disbursements have almost doubled in recent years, from $4.8-million in 1950 to $9.2-million in 1954. City appropriations have almost quintupled, from $1.4-million in 1950 to $6.7-million in 1955.

It must be emphasized that the projections for 1955–1980 are rough estimates, based on specified assumptions, including the rule-of-thumb that the cash needs of a pension system may eventually reach a peak of about 1¾ its annual current actuarial cost, and may subsequently stabilize at about 1½ times that cost (assuming interest earnings at 2½%, compounded annually).

Actual variations from the assumptions will, of course, have corresponding effects on the ultimate disbursements and city appropriations.

Major Impact Yet To Be Felt

The projections indicate not only that the city pension systems are enormously expensive but also that the major impact is yet to be felt.

The reasons the pension burden is so heavy are primarily (1) permitting policemen and firemen to retire at age 50 with half-pay retirement allow-

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Assumptions for table (*continued*):

5. *Annual payroll*—general employees, $60-million; police, $22.5-million; firemen, $13.6-million.

6. *Annual employees' dues*—general employees, $2-million; police, $760,000; firemen, $475,000 ($300,000 to the Firemen's Pension Fund, and $175,000 to the Municipal Pension Fund).

7. *Annual state subsidies*—police, $1.1-million; firemen, $605,000.

8. *Assets*—will be maintained at, or restored to, not less than 1954 year-end level: $3.4-million, Municipal Pension Fund, general employees; $200,000, Municipal Pension Fund, firemen; $250,000, Police Pension Fund; $3.9-million, Firemen's Pension Fund (as of January 31, 1955).

9. *City annual appropriation*—will equal amount needed to make up difference between (1) disbursements and (2) regular income, including assets in excess of 1954 year-end level; but city annual appropriation will not be less than the amount appropriated for 1955.

Park Guard Report Now Available

A LIMITED number of copies of the BMR-PEL's 60-page ***Report on Philadelphia Fairmount Park Guards Pensions*** *are now available free of charge. The report, pre-prepared for city Council under a contract with the city, includes a brief review of the history and status of the Fairmount Park Commission, and analyses of policemen's pension coverage and the problem of equalizing park guards' and policemen's pension benefits.*

ances; (2) past failure to build up adequate reserves, whose interest earnings would provide a large part of the cash requirements; and (3) low employee contributions (police and fire employees pay about one-seventh the current actuarial cost of their benefits; all other employees pay about one-fifth of the cost).

Needed: A Comprehensive Program

To help reduce prospective costs, and to remedy many inequities in the city's present pension plans, the city should adopt a comprehensive retirement program which would provide reasonable retirement benefits and would require the employees to pay a fair share of the actuarial cost.

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IZENS' BUSINESS

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REQUESTS FOR PAY RISE HIGHLIGHT CITY'S PERSONNEL MECHANISMS

RECENT REQUESTS by certain Philadelphia city employees for pay increases (such as the firemen's request for a $660 rise in annual pay) has focused citizen attention on the mechanics of two tools of public administration—the city's *position classification* and *pay* plans.

Position Classification

Position classification is a *continuous* process which involves the study, description, and classification of *all* jobs under the city's civil service. The *position-classification plan* allocates positions to classes, by appropriate titles, on the basis of duties performed, responsibilities involved, personal hazard, if any, supervisory functions exercised, and qualifications needed. Thus, regardless of the agencies in which they are located, like positions constitute a single class so that they will be subject to the same treatment with respect to pay, recruitment, and other personnel matters. Such a plan facilitates recruitment, makes possible fair promotions, and, perhaps, most importantly,

serves as the basis of an equitable pay plan—"equal pay for equal work" for *all* city employees.

Developing the classification plan required thousands of determinations on each of the elements of thousands of city jobs, so that such diverse classes as sewer crawlers, firemen, stenographers, public health nurses, and meter readers could be brought into one comprehensive system.

Developing the Pay Plan

In developing its pay plan, the city collected relevant data on salaries for comparable positions in this area and in other governmental jurisdictions. On the basis of these data, the city set up 49 pay ranges, each with six steps and a spread of about 25% between the first and sixth steps. Classes of positions were then assigned to these pay ranges.* (Employees move one step forward annually within each range, subject to "satisfactory" or better performance ratings.)

Employee Participation. Before the two new plans were finally established during 1953, city agencies, and city employees and their representatives were able to appeal determinations therein. So, too, they may now appeal proposed changes. Thus, city employees themselves as well as the city Administration have participated not only in creating but also in maintaining the plans.

Plans Continuously Reviewed

The Personnel Director *continuously* reviews in whole or in part the two plans to keep them up to date. This continuous maintenance is an indispensable part of the city's personnel administration. Lack of it in previous years seriously impaired the validity of the city's old plans.

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* Incumbents at higher rates of pay continue at the higher rates but receive no increases; when they vacate these positions, the new appointees are started at the new minimum salaries.

Classification Review. The classification plan is reviewed in a number of ways, including: (1) on appeals; (2) on requisitions for eligible lists to fill vacancies; (3) on resurveys of city agencies; and (4) on resurveys of occupational groups cutting across agency lines—such as engineers in all agencies.

Pay Plan Review. The pay plan is reviewed annually by a comparative survey of salaries in the Philadelphia area and in other governmental jurisdictions. The first survey was made in 1952 and has been repeated annually.

In its local survey, the city interviews over 100 firms and checks pay rates for 10% to 15% of "key" classes, comparing, in effect, the salaries of 15,000 city positions with 25,000 comparable positions in private employment. In addition to its own, the city also uses salary surveys made by others.

In 1953 and 1954, the survey indicated that the city was generally in a competitive position salary-wise; i.e., pay rates of city employees were at least as high as those of 50% of the employees in private businesses in Philadelphia.

Besides the general surveys, the city reviews the pay of many classes on the basis of appeals or resurveys either for classification or for pay, reviewing in 1954, for example, 280 (31%) of its 894 classes in the classification plan with respect to pay.

Instruments of Fiscal Administration

The two plans are also instruments of city fiscal administration, because together they set the cost of personal services for most of the city government—an estimated $98.9 million in 1955, about 60% of the total operating budgets. Accordingly, the Administrative Board (Mayor, Managing

Vacation for Citizens' Business

Our readers are reminded that regular issues of ***Citizens' Business*** *are not published during July and August.*

Director, and Director of Finance) must finally approve these plans.

The city should always be in a position where it commands its own fair share of the labor market, neither paying salaries so high that it is able to "pirate" employees from private employment, nor paying salaries so low that it cannot secure competent personnel.

The present comprehensive classification and pay plans endeavor to meet these goals: "fair pay" for all city employees and "fair play" not only for city employees but for the taxpayers as well.

Basic Interrelationships Involved

Accordingly, if a salary increase were given to one or two classes of positions *without reference to the mechanisms which underlie the classification and pay plans and, in effect, interrelate each class with every other class,* then the utility of the pay plan would be seriously impaired.

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Philadelphia September 12, 1955 No. 2,106

'VARIABLE TOLLS' WOULD ASSURE RAPID MOVEMENT ON EXPRESSWAY

THE PROPOSED $200-million Delaware Expressway may well create more traffic problems than it will solve unless its potential heavy traffic flows to center city are regulated. Rapid movement on the expressway and its feeder streets can be assured at all times only if traffic is controlled by tolls, preferably "variable tolls."

BMR-PEL Report Gives Reasons

The bases of these conclusions are given in the 17-page report, *The Delaware Expressway—Free or Toll?*, recently published by the Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division).

"The Delaware Expressway should be a great industrial and commercial highway with primary emphasis upon its contribution to the basic economy of the city and region," the report states.

"To spend nearly two hundred million dollars for the Delaware Expressway will be sound policy only if the facility significantly improves the area's ability to develop further the sound basis of its present economy.

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"To save a few minutes to a limited group in daily commuting, occasional shopping excursions, and recreational or other non-business trips is not sufficient to justify the expenditure of such a large sum. Toll operation could regulate the use of the Delaware Expressway in the interest of promoting the greatest common good."

Presents a New Concept

As a new concept in urban transportation, the BMR-PEL report recommends the use of "variable tolls" whereby the toll rates "would vary with the time of day, day of the week, and season of the year, with respect to various types and classes of traffic and perhaps inversely with the number of passengers in private cars."

A variable toll system would reduce traffic to a volume that would assure rapid movement at all hours to all users, particularly to "priority traffic," namely, trucks, express busses, and business traffic.

Although tolls have not been used in urban areas for *traffic regulation* purposes, the BMR-PEL points out that "there is sufficient collateral evidence of the influence of highway tolls and of parking meter charges on public streets, to warrant the assumption that people will respond quickly, predictably, and effectively to the pocketbook nerve."

Additional Factors for Consideration

Other points made by the report relating to the merits of a variable toll system include:

• **The better regulated traffic flows on center city streets, which could be accomplished by means of variable tolls on the Delaware and other expressways serving center city, would make downtown Philadelphia a more convenient place in which to do business, shop, or**

Expressway Report Now Available

A LIMITED number of copies of the 17-page report, ***The Delaware Expressway—Free or Toll?,*** *are now available at $1.00 each from the BMR-PEL. However, single copies may be obtained free of charge by contributors of the BMR-PEL.*

Most of the report is devoted to a detailed listing of arguments for and against constructing and operating the Delaware Expressway as a free facility and as a toll facility. Pros and cons are given with respect both to traffic regulation and finance considerations. The report concludes with evaluations and recommendations and an appendix on the variable toll concept.

attend cultural functions. Together with better parking facilities and improved express bus and other mass transit, well regulated toll expressways could aid in maintaining property values and encouraging the beneficial development of center city.

• *The expansion of the use of car pools instead of one-passenger car use can be encouraged under a toll system by providing a graded toll for automobiles depending upon the number of passengers. Thus, if the basic toll at peak hours was 40 cents, a reduction of 5 cents for each adult in addition to the driver might well induce formation and expansion of car pools.*

• A variable toll system on the Delaware Expressway which would assure rapid travel at all times would improve access for passengers, freight, and mail to the International and North Philadelphia Airports.

• *The variable toll device is a flexible one which could be adapted in a variety of ways. For example, during certain off-peak night hours, no tolls at all might be charged if finances permitted*

Are You Anti-Red Or Pro-Red Ink?

CITIZENS' BUSINESS has been taken to task for printing one of its recent issues with red ink. "Much too hard on the eyes," one of our readers complained. "Please forego the red."

Accordingly, we are suspending the use of red ink until we can learn the attitudes of other readers. If you have any views on this matter, or on any other matter pertaining to the contents and appearance of CITIZENS' BUSINESS, we should appreciate hearing from you.

and the public interest benefited. This policy might be particularly appropriate at times when toll traffic might be so low that revenues would not equal the costs of toll collection.

Bold Approach Required

"Laissez faire in the field of transportation won't do, it is self-defeating rather than self-regulating," states the report. "The BMR-PEL is convinced, on the basis of its studies of the transportation problem, that a new, bold, imaginative and constructive approach by both public and private enterprise is essential. The first step is the construction and operation of the Delaware Expressway as a toll-regulated facility."

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Philadelphia September 26, 1955 No. 2,107

THIS IS ABOUT THE OPERATION OF OUR COUNTY BRANCHES

MANY SUBSCRIBERS of the Bureau of Municipal Research, long familiar with the Bureau's program for improving municipal government in Philadelphia, have inquired about the "County Branches," which have been an important part of the Pennsylvania Economy League.

Three Branches in BMR-PEL Area

In southeastern Pennsylvania, the combined Bureau of Municipal Research and Pennsylvania Economy League (Eastern Division) has County Committees, with Branch executive secretaries, in Chester, Lower Bucks, and Montgomery Counties. Also, the BMR-PEL's "division headquarters" in Philadelphia performs some activities in Delaware County, which thus far has no County Committee. Elsewhere in the state, the PEL's Western and Central Divisions have headquarters in Allegheny and Luzerne Counties, respectively, and Branches in 15 other counties.

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This CITIZENS' BUSINESS describes the operations of the County Branches, using Chester County as a case in point.

Large Number of Government Officials

Of immediate significance to County Branch operations is the great number of local governmental units involved, each with its own set of policy-making officials and numerous other elected and appointed administrators. Chester County, for example, has 148 governmental units, exceeding any other Pennsylvania county except Allegheny. The total of 148 includes one county, one institution district (coterminous with the county), one city of the third class, 15 boroughs, one township of the first class, 56 townships of the second class, and 73 school districts (largely coterminous with city, borough, or township boundaries). Moreover, many of these units have established various intergovernmental arrangements, such as school district jointures.

The local governments in Chester County have about 660 policy-making elected officials and about 400 appointed officials. Thus, the Chester County Branch services over 1,000 governmental officials.

A Selective Process

With such a wide field for useful activity, the County Branch must necessarily be selective in the work projects accepted. The major consideration is the importance of the project to the citizens and public officials of the community, or communities, initiating the request. Other factors which influence the decision of the Branch's General County Committee are (1) a project's relative importance when examined in the context of the over-all Branch program, (2) financial limitations, and (3) availability of staff.

Diversified Program

An effective County Branch program necessarily is concerned with many functions of government which present administrative and budgetary

problems. The Branch executive secretary, as resident staff member, is well-trained to undertake research on any type of governmental problem and to bring to bear the know-how of the League members and Division staff specialists.

During the past five years, the Chester County Branch, for example, has been instrumental in the adoption of more efficient and effective methods of billing, accounting, budgeting, and financial reporting in Coatesville, West Chester, and Downingtown. A complete administrative survey of the Borough of Downingtown made in 1951 led to adoption of the council-manager form of government and the accomplishment of 70% of the PEL's 61 recommended improvements.

Problems of Rapid Community Growth

Faced with a rapidly increasing population in its area, the Chester County Branch has stressed the need for a County Planning Commission, and supported the establishment of such a Commission in 1950. Subsequently, in the absence of a full-time staff for the Commission, the Branch has gathered and published data on the growth trends of the county, on the progress of planning, zoning, and subdivision controls, and on the methods and objectives of planning as a governmental function.

Rapidly increasing school enrollments brought about by the post-war rise in birth rates and the migration of young families into Chester County, has resulted in the Branch's making factual surveys of the needs for 56 of the county's 73 school districts, and assisting in the planning of over $15 million in needed new facilities.

Our Aims and Methods

The ***Bureau of Municipal Research*** and the ***Pennsylvania Economy League*** are agencies of scientific inquiry organized to increase the effectiveness of state and local government in the Commonwealth of Pennsylvania by cooperating with officials and giving citizens unbiased information about public affairs. Both organizations are under non-partisan citizen control and are maintained by voluntary contributions. Contributions to the ***Bureau*** and the ***League*** are deductible in computing the federal income tax.

Refuse disposal has also been of special concern, and the Branch has been instrumental in the introduction into Chester County of the sanitary landfill method as the most satisfactory and least expensive of the methods possible in the county.

The Cost and Efficiency of Government

Continuing and careful analysis of budgets and financial practices for all major units of government in the county is routine operation of County Branches—routine, in the sense of being standard procedure, but of special importance in discovering unsound practices, unrealistic budgets, unnecessary appropriations, and excessive taxation.

In its activities, each County Branch stresses the advantages of joint cooperative action by contiguous municipalities in order to achieve more efficient and economical operations.

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PLANNING COMMISSION PROPOSES $571 MILLION CAPITAL PROGRAM

PHILADELPHIA'S City Planning Commission has recommended a 1956–1961 *capital program* totaling $571.1 million, of which $100.4 million would be scheduled for 1956. The city's 1956 *capital budget*—i.e., its share of the cost of the 1956 program—would total $60.7 million.* (See table inside.)

Improvement Program Now in 11th Year

Philadelphia is now in the eleventh year of the greatest improvement program in its history. During many years prior to World War II the city spent little on capital outlay, as it had no borrowing power to finance any major construction. Then, in 1943, when borrowing power again became available to it, wartime restrictions prevented any large-scale building. Accordingly, capi-

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* The Home Rule Charter requires the City Planning Commission to submit to Council each year through the Mayor (1) a proposed capital *program*, comprising all capital improvements to which the city would be a party and which are scheduled for the next six years, and (2) a proposed capital *budget*, comprising the capital improvements for which the city must provide financing and which are scheduled for the first year of the six-year program.

tal work did not start until 1945, when the war ended.

Since that time, in the ten years 1945–1954, Philadelphia has gotten under way projects totaling $386.3 million, plus an estimated additional $60.0 million this year, altogether $446.3 million in projects in eleven years.

City's Six-Year Cost—$286.7 Million

The city's share of the cost of the 1956–1961 program would be $286.7 million. The rest—$284.5 million—would be provided from these sources: state—$235.4 million, of which $169.0 million is for the Delaware Expressway*; federal—$27.4 million; special assessment—$18.2 million; and railroad—$3.5 million.

The City Planning Commission has adhered to its 1954 proposal, which was concurred in by the Mayor and Council, to limit *new tax-supported* loan authorizations in each of the years of the program to $20.0 million. (The rest of the city's cost would be met from *old* tax-supported loans, new and old self-supporting loans, and current revenues.)

This ceiling, according to the Acting Director of Finance, holds tax-supported loans within the foreseeable capacity of the general fund's revenues to meet the debt service on such loans. (No ceiling has as yet been placed on new self-supporting loans—for gas, sewer, water, and some transit projects—in the capital program.)

Capital Needs

It should be noted that the total to be expended by the city for capital improvements in the *five* years 1956–1960, as set forth in the proposed

* However, no contracts between the city and state have been completed for financing the Delaware Expressway.

Proposed Capital Program and Budgets
(000's omitted)*

Purposes	1956–1961		1956	
	Capital program	Capital budgets†	Capital program	Capital budget†
Delaware Expressway	$172,000	$ 3,000	$ 0	$ 0
Streets, highways, and bridges	137,412	56,929	47,067	13,493
Sewers, flood relief, and drainage	99,013	93,304	24,653	23,153
Waterworks	49,931	48,341	13,464	13,119
Redevelopment	34,795	7,105	5,180	913
Gas works	28,000	28,000	0	0
Recreation and parks	15,485	15,485	2,850	2,850
Prisons and welfare	8,552	8,552	652	652
Airports	8,428	8,428	1,858	1,858
Police and fire	5,441	5,441	578	578
Repair of City Hall and Annex	3,594	3,594	1,000	1,000
Port	3,320	3,320	1,745	1,745
Health centers	1,825	1,825	741	741
Libraries	803	803	65	65
Telephone and cable facilities	770	770	110	110
Hospitals	765	765	165	165
Convention Hall	645	645	235	235
Auto maintenance and repair facilities	235	235	0	0
Planning	67	67	0	0
Commercial Museum	50	50	50	50
Total	$571,129	$286,658	$100,411	$60,726

* Details do not agree with totals because of "roundings."

† Amounts shown in this column consist of the *city's* share of the total amounts scheduled from *all* sources.

1956–1961 capital program, is $36.0 million more than was scheduled for the *same five years* in the 1955–1960 program adopted last year ($237.2 million as compared with $201.2 million), indicating that the city's capital needs are not waning.

It has been estimated that if the proposed 1956–1961 program and budgets are adopted, debt service—the charge upon the operating budget for interest and principal payments—will rise from $34.8 million in 1955 to $50.5 million in 1961, with peak debt service not being reached until 1963.

BMR-PEL Briefs

Highlights of recent BMR-PEL activities in southeastern Pennsylvania are as follows:

• **Bucks County.** Issued 60-page report on *Cost of Education in Lower Bucks County, 1952–1955.* Study being made of refuse disposal in Falls Township and of school problems of Morrisville.

• **Chester County.** Published report on *Curing the Water Problems of Downingtown Borough* and *Elementary School Needs of Willistown Township.* Nearing completion: reports on elementary school needs for Tredyffrin-Easttown and high school needs for entire Paoli area.

• **Delaware County.** Report being completed on possible school jointure of Bethel, Lower Chichester, and Upper Chichester school districts.

• **Montgomery County.** Report under way on "area technical schools" (vocational education).

• **Philadelphia.** Work continues on administrative survey of Department of Licenses and Inspections and on draft of Philadelphia Government Textbook-Manual. *Jurors' Handbook* being readied for publication.

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INTER-CITY FISCAL COMPARISONS SHOULD BE USED CAUTIOUSLY

CITIZENS are often puzzled by the wariness shown by finance experts in evaluating inter-city comparisons of expenditures and revenues. However, the wariness is justified because careless use of such comparisons leads to misunderstanding rather than enlightenment.

The misunderstandings stem in part from the fact that one city may produce more services per tax dollar than another. For example, city X and city Y may each be spending $50 per capita for education, but X's school program may, for various reasons, be far superior to Y's.

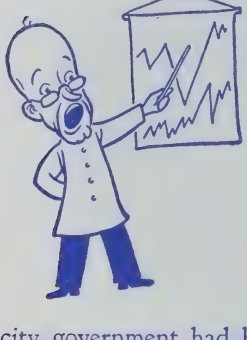
A Further Complication

But perhaps more important as a complicating element is the fact that in some cities a function is performed by an authority or special district, while in another city the same function is performed by the city government, and in still another city the function is divided between the city government and a special district.

Towards More Meaningful Data

In a recent publication,* the United States Census Bureau attempts to provide more meaningful comparisons among large cities by listing the expenditures and revenues of *all* local units of government operating within the cities, and deriving from that the estimated per capita amounts for each of the cities.

Thus, the Census Bureau reports that in 1953 Philadelphia, with $135.68 in per capita expenditures† by *all local government units,* ranked 15th among the 18 most populous United States' cities. Los Angeles was highest, with $221.13 per capita; St. Louis was lowest, with $105.06; the median point was $152.77.



In contrast, if the expenditures of *only* the city government had been considered (and thus excluding the expenditures of such other local units as school districts and county governments), Philadelphia would have been 8th, with $91.87; Los Angeles would have been 14th, with $66.06; and St. Louis would have been 15th, with $61.75. (Highest would have been Boston, with $197.35; lowest, Chicago, $53.94; median point, $84.93.)

These differing results (Philadelphia's per capita amount, for example, being $135.68 in one case, and $91.87 in the other) reflect the fact that a city government's share of total local expenditures va-

* U. S. Bureau of the Census, *Local Government Finances in City Areas in 1953* (State and Local Government Special Studies, Number 39; 1955).

† Including operating expenses and capital outlay, but excluding utility and retirement expenditures.

Cities Have Numerous Governments

In 1953, according to the U. S. Census Bureau, the 41 largest U. S. cities were served by 194 separate local governments, including 41 city governments, 33 counties, 5 townships, 40 school districts, and 75 special-purpose districts and authorities of various types.

ries considerably—92% in Boston, 68% in Philadelphia, and 30% in Los Angeles. (In Los Angeles, the county government as well as the school districts outspend the city government.)

Does Not Give Whole Story

But again demonstrating the need for handling inter-city comparisons with extreme caution, it should be noted that the foregoing figures do *not* tell the whole story, because in some cities a local unit performs a particular function, whereas in other cities the same function is performed in whole or in part by the state government.

For example, in expenditures for public welfare (including public assistance), Boston ranks highest with $39.36 per capita, whereas New Orleans ranks lowest, with $0.61. But the state of Massachusetts spends only about $2.29 per capita, statewide, for welfare functions, whereas the state of Louisiana spends about $39.04 per capita. This explains in part why New Orleans' per capita *total* expenditures by local governments are so much lower than Boston's ($143.58 as compared with $213.95).

Variations in the division of responsibility between state and local units of government occur

in other functions, particularly in highways and health.

Limitations Must Be Recognized

Summing up, inter-city comparisons, particularly as presented in the Census Bureau's new report, can be helpful if used carefully, but their limitations must be recognized.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION required by the Act of Congress of August 24, 1912, as amended by the acts of March 3, 1933, and July 2, 1946 (Title 39, United States Code, Section 233) of CITIZENS' BUSINESS, published semi-monthly from September through June at Philadelphia, Pa., for October 1, 1955.

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2. The owner is: Bureau of Municipal Research, Towne Building, 1321 Arch Street, Phila. 7, Pa. No capital stock.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

EMMA L. BOWMAN, Managing Editor

Sworn to and subscribed before me this 23rd day of September, 1955. Richard W. Damerau

[SEAL] (My Commission expires January 7, 1959)

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Philadelphia | October 31, 1955 | No. 2,109S

LOAN PROPOSALS ON CITY BALLOT —QUESTIONS NOS. 1 AND 2

PHILADELPHIA VOTERS on November 8 will be asked to vote on two local questions—the two loan proposals. These proposals, numbered 1 and 2, are actually the *second* and *third* questions on the ballot; the first question, numbered 1A, deals with a proposed constitutional amendment, which would permit the State Legislature to authorize increases in pensions being paid to retired public employees.

Question No. 1—Tax-Supported Loan

Question No. 1 is: "Shall the City of Philadelphia borrow $15,350,000 for and towards the purposes stated in the Ordinance approved September 27, 1955, including: airports [$1,280,000]; Commercial Museum, Exhibition and Convention Halls [$155,000]; police, fire, municipal buildings [$550,000]; Free Library [$15,000]; hospital, health facilities [$800,000]; communication and electrical systems [$145,000]; City Hall and Annex [$950,000]; parks, playgrounds, Aquarium, recreation facilities [$2,200,000]; Art Museum [$235,000]; roads, streets, bridges and related facilities [$8,830,000]; welfare facilities, Riverview, House of Correction [$125,000]; Youth Study Center [$65,000]; effective January 2, 1956, if then within the debt limit?" (Information in brackets supplied.)

Amounts assigned to each purpose may be reduced or transferred to any other purpose in the loan if Council finds such reduction advisable.

Question No. 2—Self-Supporting Loan

Question No. 2 is: "Shall the City of Philadelphia borrow $27,120,000 for and towards: the water supply system [$9,240,000]; and the sewers, sewerage system and sewage treatment works [$17,880,000]; the authorization for this loan not to be valid and effective unless and until a court of competent jurisdiction shall authorize the exclusion of this proposed indebtedness in ascertaining the borrowing capacity of the city?" (Information in brackets supplied.)

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Full authorization of this loan is contingent upon a court finding that the city's water and sewer funds are entirely self-supporting, and that prospective income will be sufficient to meet all costs of operations, maintenance and debt

SUPPLEMENT

This is a special issue of our regular semi-monthly publication, CITIZENS' BUSINESS. Such special issues will appear from time to time.

service not only for the new but also for the existing capital improvements in the water and sewer systems.

To Help 1956 Financing

Approval of the two questions authorizing the two loans totaling $42.5 million would enable the city to finance the lion's share of projects which it now expects to be authorized in the 1956 capital budget. (The 1956 capital budget, now being considered by Council, must be adopted by December 1.) Financing of the proposed budget is planned as follows, in millions:

Total projects to be financed by city		$60.7
Less:		
Revenues from current funds	$ 2.4	
Old loans available	11.3	
Councilmanic loan to be authorized in 1956	4.6	18.3
Voter-approved loans required		$42.4

Rounded, the new voter-approved loan requirements total $42.5 million.* If the loans are not approved and the financing is modified to use up all of the $14.5 million borrowing power which will be available in 1956 for Council's use, the proposed 1956 capital budget would have to be reduced from $60.7 million to $28.2 million.†

To Carry the Program Forward

Since the city places successive stages of large capital projects in successive annual capital budgets, a number of the projects to be financed by the loan proposals are already under way and in various stages of completion. If the loan proposals are not approved, these projects would presumably have top priority in the smaller capital budget which would be necessary. The priorities of the remaining projects would have to be reexamined in terms of the lower ceiling on the size of the capital budget, and some would have to be deferred to 1957 or later years.

* If the loans are approved and eventually issued on the same basis as the city last issued loans, the city would have to provide $58.5 million in new debt service over 30 annual operating budgets, starting with a $2.6 million peak requirement in the first year. This new debt service would be in addition to the added operation and maintenance costs of the projects provided by the loans.

† The $28.2 million would be financed by $14.5 million in new Councilmanic loans, $11.3 million in old loans available, and $2.4 million in revenues from current funds.

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Philadelphia November 14, 1955 No. 2,110

CITY COUNCIL REQUESTED TO APPROPRIATE $204.1 MILLION

PHILADELPHIA'S COUNCIL is currently holding hearings on the 1956 operating budgets. The Mayor has proposed a $204.1 million spending program for the city's eight operating funds. (The three main operating funds are the *general, water,* and *sewer funds*; the other five are the *county liquid fuels tax, special gasoline tax [general], special gasoline tax [city-state agreement], park, and Betsy Ross House Memorial funds.*)

This CITIZENS' BUSINESS presents some of the highlights of the budget,* using figures drawn from the Mayor's message and supporting data.

Significant Increases

The 1955 operating budget ordinance, as adopted last December, authorized $194.3 million for 1955 operations. It is estimated by city officials that 1955 spending (or, technically, "obligations") will actually total $188.3 million, approximately $6.0 million less than was authorized, primarily

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* Amounts shown are *net* and do not reflect interfund transfers; for instance, they do not reflect payments by the *water fund* to the *general fund* for services rendered.

Appropriations Proposed for 1956

(purpose or agency)	(millions)
Debt service	$36.8
Department of Streets	27.7
Police Department	25.1
Fire Department	14.2
Water Department	11.7
Phila. General Hosp.	12.1
Recreation and library agencies	11.2
Care of persons outside city institutions	10.3
Court agencies	8.5
Pensions	7.6
Fiscal and tax agencies	6.6
Department of Public Property	6.4
Institutions (except P.G.H.)	4.8
Dept. of Pub. Health	3.6
Other	17.5
Total	$204.1

Philadelp

Object of expenditure	
Personal services	
Wages and salaries	
Pensions & welfare p	
Total personal ser	
Debt service	
Purchase of services	
Materials, supplies & e	
Capital "down paymen	
Miscellaneous	
1956 proposed budg	
1955 est. obligation	
Rise: 1956 over	

* Does not exceed $50,000.
† Details do not add up to

1956's Expected Income

Sources	(millions)
Real estate tax	$ 62.8
Earned income tax	50.6
Mercantile tax	15.3
Water rents, etc.	13.5
Sewer rents, etc.	8.3
Gas rentals, etc.	7.9
State aid	4.8
Court receipts	3.8
PTC rentals	3.7
Personal property tax	3.3
Real est. transfer tax	3.0
Amusement tax	2.6
Other	13.0
Net surplus used	11.5
Total revenues	$204.1

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Year	Income
1947	$160.1
1948	111.6
1949	115.7
1950	126.0
1951	139.0
1952	146.7
1953	176.8
1954	180.4
1955 est.	188.3
1956 prop.	192.6

* Exclusive of surplus.

Proposed 1956 Operating Budgets

(in millions)

	General fund	*Water fund*	*Sewer fund*	*Other funds*	*Total of all funds*
. .	$102.5	$ 4.6	$1.1	$1.6	$109.8
ts .	7.9	.2	*	0	8.2
. .	110.4	4.8	1.1	1.6	118.0
. .	27.0	2.8	7.0	0	36.8
. .	22.2	2.1	.6	1.9	26.8
ent	12.5	3.1	.2	1.3	17.0
. .	1.3	.5	.6	0	2.4
. .	3.0	.1	*	*	3.1
. .	$176.5	$13.3	$9.4	$4.9	$204.1
. .	$161.4	$13.1	$9.1	$4.7	$188.3
. .	$ 15.1	$ 0.2	$0.3	$0.2	$ 15.8†

ause of roundings.

Debt Service —
s

vice	*D.s. as % of income*
5	21%
9	21
1	22
2	22
3	20
9	20
7	18
5	18
1	19
3	19

Philadelphia's Net Debt

At end of	*(millions)*
1941	$364.7
1942	351.6
1943	344.2
1944	340.2
1945	316.3*
1946	333.1
1947	320.7
1948	355.8
1949	388.0
1950	423.9
1951	437.3
1952	464.9
1953	473.9
1954	497.1
1955 (est.)	528.1†

* Recent low. † All-time peak.

because of a contingency reserve of $2.0 million set up by Council in the general fund, and a commitment by the administration to underspend general fund appropriations by $3.1 million.

Thus, the $204.1 million requested for 1956 operations is $9.8 million more than 1955 *authorizations*, and $15.8 million more than estimated 1955 *obligations*. In the general fund alone—the largest of the eight funds—the $176.5 million proposed for 1956 is $8.6 million more than 1955 authorizations, and $15.1 million more than estimated 1955 obligations.

The largest object of expenditure is *personal services*—that is, salaries and wages, pensions, and employee welfare payments—accounting for $118.0 million (58%) of the $204.1 million requested for 1956. Debt service is the next largest, totaling $36.8 million (18%).

Permanent Employees Up 1,700

The proposed 1956 budget authorizes 27,629 permanent full-time positions. Allowing for turnover—an average of about 400 positions vacant every day in the year—this means that the budget would actually provide for approximately 27,229 permanent full-time positions, an effective rise in city employment during 1956 of about 1,714, or 7% over the 25,515 employed at June 30, 1955.

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PROGRESS TOWARD MODERNIZING PHILADELPHIA'S ZONING LAW

A THOROUGH OVERHAULING of Philadelphia's outmoded zoning is getting under way. The Zoning Advisory Commission is now holding public hearings* at which interested groups and citizens may express their views on zoning problems and on the manner in which the Commission should approach the revision of the Zoning Ordinance and Map.

Present Zoning Ordinance

The Philadelphia Zoning Ordinance was adopted in 1933 under state enabling legislation of 1929. Originally providing 14 *types* of districts, the Ordinance has been amended so that there are now 23 *types*—12 residential, 6 commercial, 3 industrial, 1 trailer camp, and 1 park.

Most of the districts added in recent years facilitate modern types of site design, such as grouped row houses (C-1), garden apartments, shopping centers with adequate parking, and "campus-type" industries. Greater protection is

* The first hearing was held November 19. Two others are scheduled for December 6 and 12 (7:30 P.M., Room 483, City Hall).

Glossary of Zoning Terms

Philadelphia Zoning Ordinance: *A 97-page code regulating the use, height, and area of buildings and the use of land in the several types of zoning districts.*

Zoning Map: *A series of large-scale maps (part of the Zoning Ordinance) covering the whole city and establishing the boundaries of zoning districts.*

Zoning Section: *A unit of the city's Department of Licenses and Inspections which issues zoning permits and use registration permits for buildings and uses in accordance with the Zoning Ordinance. It also abates zoning violations.*

Zoning Board of Adjustment: *A 6-member departmental appeal board authorized to grant **variances** from the strict application of the terms of the Zoning Ordinance in hardship cases. It also grants **exceptions** in types of cases specifically authorized in the Zoning Ordinance.*

Non-conforming use: *A use of land or structures not in conformity with the Zoning Ordinance. A **legal non-conforming use** is one which existed prior to the adoption or amendment of the Zoning Ordinance or was legalized as a variance.*

now afforded by prohibitions against new dwellings in industrial and shopping center districts.

Zoning Map Changes and Variances

Since 1933, about 1,000 changes in Philadelphia's Zoning Map have been authorized by city Council (184 in the past three years). Many changes affected only a few properties each, but a considerable number cover more extensive areas. Some placed the newer types of districts on the zoning map; many others represented down-grading of existing neighborhoods, allowing either higher residential densities or extension of commercial or industrial uses.

In addition, since 1933 the Zoning Board of Adjustment has itself granted about 30,000 "variances" and 3,000 "exceptions" (a combined total

of 2,434 in 1954). Each separate variance usually involves a relatively minor change for a single property, or legalization of a non-conforming use. However, the net cumulative effect of such a large number of changes is a creeping intrusion of blighting influences into residential areas.

Non-Conforming Uses

Part of the difficulty stems from the liberal provisions with respect to "legal non-conforming uses." The Zoning Ordinance permits not only the indefinite continuance of such uses, but also, within certain limits, their expansion. Moreover, insofar as discontinued non-conforming uses may be resumed at any time, there is no effective method for their eventual elimination.

Other weaknesses are lack of adequate municipal inspection to detect zoning violations, and the liberal treatment accorded violators brought before the magistrates' courts.

City Planning and Zoning

Philadelphia's original zoning was drawn largely to protect existing properties. After the establishment of the City Planning Commission, greater emphasis was placed on zoning to guide future development, including the creation of new types of zoning districts previously mentioned.

The Home Rule Charter transferred from the Zoning Board of Adjustment to the Planning Commission the responsibility of advising Council on proposed zoning ordinance and map changes. Only rarely does Council authorize a zoning map change reported unfavorably by the Planning Commission. Thus the Planning Commission helps prevent detrimental zoning changes.

However, since the Commission has not yet adopted a Physical Development Plan for the city, there is no clear guide to determine whether

a proposed change is, or is not, in conformity with a comprehensive plan.

Zoning Advisory Commission

Pursuant to resolution of Council, the Mayor, on March 28, 1955, appointed an 11-member commission, advisory to the City Planning Commission and Council, to study zoning problems and to make both short-term and long-term recommendations thereon.

The Zoning Advisory Commission recently retained a real estate counseling firm to correlate previous studies, to consult with all concerned city agencies, and to draw up a plan of operation. The public hearings now under way are a first step in a formal interchange of views between the Commission and citizen groups.

Because of the complexity of the problems involved and the need to consult with many affected interests, and judging by similar experiences in other cities, it may be two or three years before full recommendations are available, and five years or more before a completely revised Zoning Ordinance and Map is adopted by Council.

Correction to Citizens' Business No. 2,110

In CITIZENS' BUSINESS No. 2,110, city income for 1947 was erroneously listed as $160.1 million. The correct figure is $106.1 million.

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FED'L COMMISSION RECOMMENDS STRENGTHENING LOCAL GOV'T

THE BIPARTISAN federal Commission on Intergovernmental Relations states in its recent report* that the "proper balance" of the federal system of government requires that each level of government—national, state, and local—be effective and responsible. The Commission points out that two distortions in the over-all governmental scene stand in the way of achieving that proper balance: (1) the national government's undertaking in late years of "some new activities which are susceptible of a larger measure of State and local handling," and (2) the fiscal imbalances arising from unequal distribution of tax resources among the three levels of government.

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Commission's Recommendations

The report stresses the need to strengthen local government. In discussing the factors contributing to strong local government, it includes the following conclusions and recommendations:

Appropriate Size. Effective local government

* The Commission on Intergovernmental Relations, *A Report to the President for Transmittal to the Congress* (June 1955).

depends, to a degree, on the size of the governmental unit, and, generally speaking, present-day local governments are too small to assume responsibilities which appear properly to be theirs.

The optimum size of a governmental unit varies not only with the functions which it is intended to perform but also with technological advances. Thus, a governmental unit of an ideal size to perform one function—to administer a public health program, for instance—may be entirely inadequate as a service area for many other functions, such as controlling water pollution or providing for the development of transportation facilities; and a unit appropriate today may shortly become inadequate.

Home Rule. Recent experience demonstrates that broader home rule powers enable even the smallest units of local government to perform more effectively. Home rule clearly fixes the responsibility for the legislative and policy-making functions of *local* government upon *local* officials. Home rule also frees state legislatures of the burden of enacting "special" legislation for local units so that those legislatures may devote more effort to matters of purely statewide concern.

However, the Commission cautions local units against carrying the home rule principle to extremes. For instance, it points out that an isolated local unit which resists integration into the larger community to which it socially and economically belongs—on a plea of its right to self-determination—actually restricts the opportunity for genuine home rule for the whole community.

State Guidance. A major means by which state governments can—and, in some cases, do—assist local units is in providing programs of guidance and leadership. Local governments would benefit from such help in coping with problems of fi-

Strong Local Government Needed

EXPRESSING the hope that its report would "stimulate all levels of government to examine their respective responsibilities," the Commission emphasizes that the strengthening of local government is necessary to the maintenance of a healthy federal system. At the outset of its discussion of the means of strengthening local government—"where every citizen has the opportunity to participate actively and directly"—the Commission advocates that the activities that can be handled by local governments be allocated to them, together with the financial resources necessary for the support of such activities.

nance, planning, zoning, community development, and the like. Emphasis should be placed on "flexible administrative supervision, consultation, cooperation, and technical assistance," and on in-service training programs for local officials.

Metropolitan Communities. An intensive nationwide study of governmental areas—giving special attention to metropolitan communities—should be carried forward as the cooperative effort of the national, state, and local governments, as well as universities, private foundations, and civic agencies. Existing approaches* to the solution of metropolitan area problems should be examined, but much more is needed, particularly political adaptability and invention in devising new forms of cooperation and action.

The states must assume leadership in seeking

* Some of these are city-county consolidation, development of the metropolitan county, interlocal contracts, and interstate metropolitan authorities.

solutions to metropolitan government problems, inasmuch as these solutions will require constitutional review as well as legislative and administrative action. The national government has an obligation to facilitate state action in this field, and should begin by analyzing the impact of its activities on metropolitan areas and by working with the states for better coordination of national and state policies and programs in such areas.

Finances. "Consistent and sustained attack" is needed on intergovernmental fiscal problems at all levels. The national government can help strengthen state and local governmental finances by (1) stimulating the economic growth of the country, thus expanding local tax bases; (2) pursuing sound fiscal policies, particularly those directed toward control of inflation; and (3) exercising restraint in taxing and spending programs.

Further, the national government should inaugurate a broad system of payments in lieu of property taxes to state and local governments, chiefly on federal commercial or industrial properties, and the states also should consider the use of payment-in-lieu arrangements. Each state should undertake reappraisals of (1) legal limitations on taxation and borrowing as they affect both the state and local levels of government, (2) systems of property taxation, and (3) state financial aids to local governments.

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Philadelphia December 26, 1955 No. 2,113

SOME PROBLEMS CONFRONTING CITY'S NEW ADMINISTRATION

WHEN A "reform" Administration takes office, it is not uncommon to hear the remark, "Doubtless, you will solve all the problems within the next four years." Obviously, such an achievement is not possible, and even if an Administration does solve the problems which exist when it assumes office, other problems usually develop during its term which offer challenges to the succeeding Administration.

Thus, despite gains made during the past four years, Philadelphia's new Administration will not lack opportunity to make further significant contributions to the city's welfare. The following are some of the major problems confronting the incoming Administration:

Economic Renewal. One of the most important, continuing problems facing the city is that of economic renewal. A realistic evaluation of current conditions clearly indicates that Philadelphia's ability to support—or to expand—its present level of municipal services depends upon its economic health. Therefore, the first obligation of the new Administration is to create an atmos-

phere conducive to industrial and commercial development, an enterprise requiring genius at least equal to that so successfully applied to vote-getting. Retention and renewal of existing industry, as well as location of new industry within the city's boundaries, are essential if the economic potential of the city is ever to be realized fully. Furthermore, measures (including improved transportation) must be taken to aid the center city business district to retain at least its present proportion of the area's retail and wholesale trade, and encourage the further growth of central regional services, such as banking and finance, realty, law, medicine, market research, and public relations.

Transportation. A significant beginning has been made by the Urban Traffic and Transportation Board (created upon the recommendation of the BMR) toward development of a policy directed toward achieving more effective and efficient movement of people and goods in and around Philadelphia. The Board's report is now being made public. Extensive community discussion will be required hereafter, and an acceptable public transportation policy ought to develop out of the public forum. Again, genius will be required to devise and to implement rational and equitable solutions to the community's transportation problems.

Efficient Municipal Operation. The Home Rule Charter is an instrument of government designed to encourage Philadelphia to manage and administer its public services more efficiently. Under its provisions, the city now possesses a foremost requisite to efficiency—flexibility in management. A substantial degree of this flexibility arises from the charter-mandated system of lump-sum budget appropriations.

While progress toward efficiency has been made during the past four years, it is generally recognized that the outgoing Administration was urgently concerned with expansion and improvement of municipal services in the aggregate, necessarily placing less emphasis on the effective rendering of those services. The 1956 budget authorizes still a further expansion of services, estimated to be 5% above the 1955 level when measured in terms of permanent, full-time employees. Since it is unlikely that revenues will be available to support more expansion in municipal employment, expansion in municipal services will henceforth depend largely on the degree of efficiency which can be achieved in all the operations and in all the agencies of the city government.

Completing City-County Consolidation. In recent years, the great strides made toward final consolidation of Philadelphia's city and county have brought substantial benefits. Further benefits will not be realized until the Board of Revision of Taxes, City Commissioners, Registration Commission, and Sheriff are fully integrated into the city's governmental structure.

Charter Revision. After four years' experience with government under the Home Rule Charter, many persons believe that review—and perhaps revision—of the charter is appropriate. Charter evaluation, if kept within bounds, *might* prove beneficial; such evaluation, if out of bounds, could become a charter-wrecking device. Therefore, the problem of the incoming Administration is to help guide revision so that the good features of the city's charter are retained and further improvements made.

Revenue Problem. Solution of many of these problems hinges at least partially on the city's financial resources, but an even more basic finan-

A Merry Christmas and
A Happy New Year
To All Our Readers

cial problem confronts the new Administration. Major increases in revenues are necessary if the program authorized in the 1956 budget is to be maintained into future years. For example, in 1957, normal adjustments (mandatory rises in salaries, wages, debt service, pension costs, and the like) will force the level of municipal expenditures upward even though the level of services remains static. Further, pressures for increased salaries, added fringe benefits, decreased workweek, and more liberal pension benefits could result in a larger gap between income and outgo than is now anticipated.

Conclusion

From the foregoing paragraphs, it is apparent that the city's new Administration, despite the advances made by its predecessor, will not lack stimulating problems which require proper solution.

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